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Superintendent's Perceptions of Adequacy in Illinois School Finance

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SUPERINTENDENT'S PERCEPTIONS OF ADEQUACY IN ILLINOIS SCHOOL FINANCE

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ABSTRACT

This qualitative research study investigated superintendents' perceptions of school finance in the State of Illinois. An online survey instrument, distributed via email, was used to collect the results. Superintendents that chose to participate answered questions about themselves as well as the demographic variables of the district they represent. The participants then went on to answer the finance survey questions. Responses to the finance survey were triangulated with the particular demographic information, much of which was separated into quartiles. The study sought to determine the answers to the following questions: (1) Do public school K-12 superintendents believe that they have sufficient resources to provide an adequate education for the students residing in their district; (2) What modifications, if any, would public school superintendents like to see in the way the State of Illinois funds public K-12 schools; (3) How would K-12 public school superintendents choose to spend funds if supplied with additional renewable revenues?

The results indicated a clear divide between superintendents whose school districts have large amounts of property wealth and those that did not. Many respondents indicated apprehension about their ability to staff and maintain their facilities. Superintendents indicated a lack of faith in the State of Illinois and the General Assembly to put forth the effort to correct what many see as problems in the way public schools are funded. Most respondents were dissatisfied with the fact that Illinois does not contribute a

higher percentage of the overall revenues used to fund public schools. Superintendents in Illinois generally perceived a lack of equity between the "haves" and the "have nots," with the fiscal crisis of 2011 having the greatest impact on those districts that require the most assistance.

CHAPTER I - INTRODUCTION

Purpose of the Study

The purpose of this research study was to investigate the perceptions of K-12 superintendents regarding the adequacy of the public school finance system in Illinois. Superintendents are ultimately responsible for the fiscal management of their school districts. The improvement of student achievement is only possible with the effective management of district resources, and in the climate of accountability in 2011, the challenges of fiscal resource management are greater than ever.

Today school districts across the state have to do more with less while facing a very uncertain economic future. While property tax funding for school districts has been relatively stable, state payments for categorical funds and general state aid are delayed for FY 2013 and are being cut for upcoming fiscal years. Superintendents of Illinois public schools face the task of meeting educational mandates and improving curriculum and instruction while contemplating budget cuts and having to decide what functions, personnel, and programs they can live without. The path a school district takes in facing the fiscal challenges brought about by the current downturn in the economy and state funding crisis is determined to a large extent by the perceptions of the district superintendents. Superintendents work with their school boards in the important process of planning for the future, both short and long term.

How public school superintendents address their district's fiscal situation depends largely on the financial condition and outlook of the district. Illinois is well known as having wide fiscal disparities between its school districts, and the Illinois system of school finance provides one of the lowest levels of equalization funding among the 50 states to combat local differences in property wealth. For example, in a 2008 study released by Education Week, Illinois ranks 27th out of the 50 states in terms of overall spending in education, but 43rd in wealth neutrality (Editorial Projects in Education Research Center, 2008). This means that while Illinois spends near the average of 50 states in terms of overall per-pupil expenditure, the per-pupil expenditure in each individual district is tied very strongly to the property wealth of the district and not educationally related variables. The FY 2011 budget deficit in Illinois gives superintendents a lot to think about in terms of budget planning, but those in property poor districts that receive a large percentage of their revenue from the state may be especially concerned.

This study attempted to ascertain the perceptions of superintendents across the state with regards to the status of school finance and any changes they would like to see happen in funding formulas. Additionally, the study looked at how the priorities and desires of districts may be a function of the relative property wealth of the district, as well as its dependence on the state for revenue. It is important to examine these perceptions as they ultimately influence the management of educational resources at the local level as well as the legislative pressure exerted upon their representatives at the state level. Are superintendents divided among themselves in the change they would like to see in the way Illinois funds schools? Are there reforms to Illinois school finance that almost all

superintendents could support? If school funding in Illinois were to be reformed, how might superintendents take advantage of the reform to improve student achievement?

Statement of the Problem

In FY 2005, schools in the state of Illinois received a total of 21.3 billion dollars to fund their operations. 59.6% of these funds came from local sources, 31.8% from state sources, and 8.6% from federal sources. Nationally, local support provides an average of 44.0% of school revenues. The difference in local versus state funds in Illinois means that the state of Illinois cannot equalize school district revenues between property poor and property rich districts as effectively as other states across the country (Mullin & Brown, 2009). To measure the disparity between school districts it is helpful to look at the restricted range; the difference in spending between districts at the 5^{th} and 95^{th} percentiles. This restricted range eliminates the few districts with extraordinarily high and low per-pupil expenditures, focusing on a more practical and common set of school district characteristics. For the same fiscal year of 2005 the restricted range of spending among elementary districts was as wide as $3,965, while the restricted range for high school districts was $4,702 and $4,057 for unit districts (Verstegen & Driscoll, 2008).

The state of Illinois attempts to equalize per-pupil expenditure through the use of a foundation formula for education. The state begins by establishing a foundation level, a theoretical minimum amount school districts should spend per pupil, through a combination of state and local property tax revenue. The amount of general state aid a school district receives is then calculated by finding the difference between what the district can provide using its own available local resources and the foundation level. In

situations where school districts have resources enough to provide a per-pupil amount close to the foundation level at the recommended taxing rates the state will use an alternate method to calculate a reduced state aid figure. When a school district has such local resources as to be able to provide 175% of the foundation level of per-pupil expenditure using a minimal tax effort the state will provide that district with a flat grant per pupil (Fritts, 2004). In FY 05 the flat grant was $218. In that fiscal year, 700 school districts received general state aid via the foundation formula, 138 school districts received state aid via the alternative formula, and 43 school districts received flat grants (Mullin & Brown, 2009).

The foundation level itself is a number created by the General Assembly, in no way reflecting actual educational costs or expenditures. Historically the foundation level has been a result of what available revenues were in the state budget. In 1997, the General Assembly created the Educational Funding Advisory Board. The EFAB was charged with the task of creating a more scientific way of determining what the foundation level should be by measuring educational expenditures in low-spending districts that exhibited high performance on state exams. In 2002, the Educational Funding Advisory Board (EFAB) published their first report outlining its recommended foundation level based on research conducted using successful Illinois school districts. In school districts where 67% of non-at risk students met state standards, districts were then identified that spent below what local economic cost factors indicated they should have spent to get these results (Center for Tax and Budget Accountability, 2006).

It was found in 2002 that the difference between the recommended per-pupil expenditure and the actual foundation level was $1,165. It was recommended at the time

that the General Assembly move to increase funding for public schools immediately (Education Funding Advisory Board, 2002). The General Assembly instead chose to make an effort each year to close the gap between the recommended and actual values in the hopes that revenues would become available in the state budget to allow it to happen. History has shown this not to be the case, and the foundation level is still established in the same arbitrary fashion as it was prior to 2002. In the 9 fiscal years since the first EFAB report, the state of Illinois has yet to establish the foundation level at the figure recommended by the board. In FY 2007 the EFAB recommended per-pupil expenditure was $6,675; in contrast, the actual foundation level for that fiscal year was $5,334 (Center for Tax and Budget Accountability, 2006).

The economic downturn beginning in 2008 has not helped the outlook for public school funding in Illinois. As a result of the 2008 recession, many governmental units are feeling increased fiscal pressures as a result of lower income and sales tax revenues at the state level (Feldt, 2010). The State of Illinois is in a fiscal crisis, borrowing funds in order to pay its bills for the 2011 fiscal year. Payments to agencies and creditors are months behind, the backlog of unpaid bills is growing, and ballooning pension fund contributions are resulting in the issuance of bonds that exacerbate the already large amount of state debt (Secter, 2010). The General Assembly and Governor continue to look for ways to trim money from the state budget to bring it back into balance. What is striking is that there isn't much left to cut since the state has already been spending less than most in the support of basic public services. The Center for Tax and Budget Accountability notes on its website that Illinois ranks 42nd among the states in funding public services, while

placing a larger tax burden upon lower and middle income residents for services such as public safety and education (Center for Tax and Budget Accountability, 2010).

The foundation level used in the calculation of General State Aid remains static for the 2011 fiscal year in comparison to the year before. This results in an overall decrease in state funding for many districts as a result of the natural inflation of district's equalized assessed valuations in the general state aid formula. These funds are part of what the state of Illinois uses to equalize school revenues between property-rich and property-poor school districts. Additionally, all districts lost some state funds from a reduction in some categorical funding including transportation, but property-poor school districts lost a greater percentage of their overall revenue as a result of the State's inability to financially support school districts at the same level it had prior to FY 2011.

A simple analysis of State Report Card data shows how the state fiscal crisis affects school districts differently depending upon available local resources. School districts such as Stevenson High School District 125 in Lake County depend little upon state monies; the district receives less than 2% of its revenue in general state aid, and less than 7% overall from state sources. In contrast, East St. Louis School District 189 in St. Clair County receives nearly 46% of its revenues from general state aid and almost 58% of their total revenue comes from state sources (Northern Illinois University, 2010). A state fiscal crisis resulting in stalled or reduced revenues will affect the students in East St. Louis a great deal more than those residing in the Stevenson school district.

Making things worse for school districts such as East St. Louis is the fact that they serve a large at-risk population. In the 2009-2010 school year, nearly 3 out of 4 students

in the district come from low income households, and 1 in every 4 is chronically truant. In the senior class of 2011, only 9% of students met or exceeded Illinois State Standards on statewide exams (Northern Illinois University, 2010). The loss of any resources for a school district that serves struggling students could be a devastating blow since there are so few other institutions to which these students can turn for support.

Various researchers and practitioners would argue that districts such as East St. Louis are served well by the current school finance system in Illinois. The district spent $14,148 per pupil in the 2009-2010 school year in spite of having a low amount of property wealth in the district. In contrast, Naperville CUSD 203 in west suburban Chicago spent $11,219 per pupil in the same school year (Northern Illinois University, 2010). Naperville's much higher equalized assessed valuation per-pupil in the district means that their share of state money is much lower, with only 9% of their revenue coming from the state, in comparison to 56% in East St. Louis. In spite of the funding difference, 79% of the seniors graduating from Naperville schools met or exceeded state standards on state-wide exams, compared to only 9% in East St. Louis. Property taxes contribute to the bulk of Naperville's operating expenditures, and the school spends almost $3,000 less per year per pupil than East St. Louis. Some would argue that the additional expenditures of the East St. Louis district should be adequate to educate their students, and that "throwing money" at school districts comes with no guarantee of results (Hanushek, 1989). Since the 1980's, school finance literature has been teeming with studies attempting to ascertain the impact of financial resources on student achievement. These studies have yielded mixed results, in spite of the popular notion that with greater resources schools can do more to help kids (Wall, 2006).

Recent literature in school finance points to the allocation of resources, including but not limited to those that have costs associated with them, as being the defining factor in whether or not additional revenue brings about improved student achievement (Odden, et. al., 2008). The thought of many researchers is that increased financial resources can make a difference when directed to improvements that are proven to make a difference by data. Reducing class size may not have any impact on student achievement if the method of lesson delivery remains the same. The purchasing of new textbooks or computers will not have an impact if teachers are not interested in using or trained for the new resources. As this course of research evolves it should lead to implications and recommendations for best practices in the effective use of financial resources for schools. The bottom line is that money is a necessary, but not sufficient, resource for the improvement of student achievement:

> It is crucial to move beyond the analysis of money itself and instead examine the relationships among funding, resources, and educational results, an approach for improving school finance analysis. Whereas school finance has emphasized the level and distribution of revenues and expenditures, even when trying to link funding to outcomes... the emphasis should be on effective or active resources... clarifying why funding is often wasted and therefore why the translation of funding into effective resources is not straightforward. (Grubb, Huerta, & Goe, 2006)

Funding Illinois schools has becoming more difficult at the state level in 2011. Schools that depend on general state aid are feeling the impact of the belt-tightening decisions taking place in Springfield. Some districts are facing the loss of personnel,

while others postpone needed repairs to their physical plant. The Illinois budget problem effects districts differently based upon the percentage of revenue that the state provides to each. Each district will have to face its own unique set of circumstances to work through the funding challenge, reevaluating resource priorities while still working to maximize student achievement and success.

Significance of the Study

> Illinois' deteriorating financial condition threatens to swallow up more than half its general fund budget in the next fiscal year... a report yesterday projects a fiscal 2012 deficit of $15 billion or more, while this year's budget calls for $26 billion in spending. Payments to vendors who do business with the state will continue to be delayed, beyond the historical levels seen recently. Last month, Moody's Investors Service changed the outlook on the state's credit rating to negative from stable, which may indicate a cut will be made in grades affecting $25 billion of A-1 rated general-obligation bonds. Moody's cited the state's failure to take steps to correct a "structural budget imbalance" and pension finances. (Jones & Preston, 2010)

The state of Illinois is facing a fiscal crisis unlike one it has ever seen. The cash flow issues that the state is experiencing are large and are not likely to go away any time soon. For decades legislators and governors have set up a system where the state has spent more than it has taken in, or has accrued large amounts of debt to purchase and pay for what was determined to be necessary at the time. Recent economic conditions have exacerbated the problem since revenues from income and sales taxes have fallen short of

their projected amounts. Pension fund payments that were previously deferred are now coming due, with $3.7 billion due in this fiscal year (Jones & Preston, 2010).

School districts counting on state revenue sources have to deal with cutbacks in categorical funds, late state aid payments, and a very uncertain fiscal outlook. A superintendent must consider the future of state funding when making decisions about personnel, the physical plant, curriculum, programs, instructional technology, and the like. The degree on which districts depend on the state for support varies widely from district to district, so while some school districts are making deep cuts, others have may have done little or been effected little by relatively small changes in revenue.

The perceptions of the superintendents are a key indicator of what experts in the field of education believe should be done. Most superintendents have been teachers, building administrators, and central office administrators before becoming superintendents. Their attitudes and visions help drive the growth and change of individual school districts. As they deal with educational issues day-to-day, their perspective on how to effectively manage revenue as well as their perceived needs should provide a unique insight into the effective use of financial resources at the district level.

The perceptions of the superintendents may not be uniform. Each school district faces its own challenges, and the superintendents will view the status of school finance in Illinois through their own unique lens. By aggregating data from school districts state-wide the study should illustrate the differences in perspectives between property-rich and property-poor districts, high-achieving and low-achieving districts, and urban and rural

districts. This study should provide data on the pressing issues in school finance from a front line practitioner's point of view.

Research Questions:

- Do public school K-12 superintendents believe that they have sufficient resources to provide an adequate education for the students residing in their district?
- According to K-12 public school superintendents, what modifications, if any, would they like to see in the way the State of Illinois funds public K-12 schools?
- How would K-12 public school superintendents choose to spend funds if supplied with additional renewable revenues?

Conceptual Framework for the Study

The concept of equity is frequently referenced in school finance literature. Equity may be looked at simply as fairness, or having a reasonable set of standards that applies universally to all individuals (Noddings, 1999). The equity of school resource distribution can be compared horizontally, which is to say that one compares each member of a group equally, also known as distributive justice. Equity can also be viewed vertically, where one recognizes that not all students are the same and that different students require different amounts of resources from their schools. Financial horizontal equity between school districts is often measured through per-pupil expenditure, a statistic that is relatively easy to compute. The calculation of vertical equity is much more complex, as there is some debate among researchers about how to measure it. This study looked at superintendent’s perceptions of school finance through the lens of equity, as well as

efforts on the part of the State of Illinois to provide schools with equitable financial resources through equalization and general state aid.

Adequacy of school funding is another important and still evolving concept in school finance. The concept of adequate in terms of educational resources and outcomes has been defined by courts, legislatures, task forces, and panels in every state in the country. No universally accepted definition of what "adequate" means exists, but most groups charged with the task generally attempt to ascertain the cost of an adequate education by the successful schools or professional judgment methods (Lefkowicz, 2004). The concept of adequacy is at the center of this research. It was a goal of this research study to determine whether the superintendents in the State of Illinois felt they had adequate resources to provide a comprehensive education to their students. It is worth noting that equity and adequacy are not related, and one may have a system of school finance that is one or the other, neither, or both.

Summary

The study collected feedback from superintendents about their perceptions of the equity and adequacy of school finance in the state of Illinois as they view it. This feedback was analyzed for similarities or differences between superintendents whose districts have differing demographic and financial statistics. As the state budget tightens it will impact districts in different ways. This study attempts to ascertain the thoughts of superintendents as they deal with the state funding issues and look at how school districts with different local property values per pupil handle the situation. The study will also investigate superintendent's thoughts on the uses of additional financial resources, should

they be available, and attempt to ascertain the degree to which additional school funding might be directed toward resources that directly impact student achievement. It was the intent of this research to shed light on the perspectives of the leaders of school districts as an illustration of the current status of education in Illinois and the challenges that face schools in the future. Additionally, this research may help inform future state policy decisions with respect to the financing of public schools.

Glossary of Terms

Adequacy - For school finance, adequacy means providing sufficient funds for the average school district to teach the average child to state standards, plus sufficient additional revenues for students with special needs to allow them to meet performance standards as well (Odden & Picus, 2004).

Consolidation - The process by which multiple school districts combine to form one school district. This may occur between elementary and high school districts, or districts with similar grade levels that are geographically adjacent to each other.

Equalization - A form of financial assistance from states to school districts, based on the inverse of property wealth per pupil, that attempts to make each district's revenues more equal (Odden & Picus, 2004).

Equalized Assessed Valuation (EAV) - A property's valuation after county and state equalization are performed. The term is applied to both individual properties and the total property within a school district or unit of government (Fritts, 2004).

Elementary district - A school district consisting typically of grades K-8.

Flat grant - Funds granted to a school district based strictly on enrollment with no intent of providing equalization (Brimley & Garfield, 2005).

Foundation program - A state equalization program that typically guarantees a certain foundation level, or minimum per-pupil expenditure, together with a minimum tax rate that a school district must levy for education purposes. The difference between what the

school district raises at the minimum tax rate and the foundation level is made up in state aid (Odden & Picus, 2004).

High school district - A school district consisting usually of grades 9-12.

Horizontal equity - Often referred to as the "equal treatment of equals," horizontal equity occurs when each child has an equal amount of fiscal resources allocated to them for their education (Brimley & Garfield, 2005).

Tax rate - The amount of property tax dollars to be paid annually per $100 in equalized assessed valuation (Brimley & Garfield, 2005).

Unit District - A school district consisting of grades K-12.

Vertical equity - Often referred to as the "unequal treatment of unequals," vertical equity occurs when students with different needs are given different amounts of resources so that each may be given equal opportunity for success. Often systems designed for vertical equity will give students with special needs (Students with IEP's, ELL students, low income students) a "weight" (i.e. - additional funds) to support programs to counter the disadvantage (Brimley & Garfield, 2005).

CHAPTER II - REVIEW OF THE LITERATURE

The Beginnings of Public Education in Colonial America

Public education as we have come to know it in the United States began in the New England Colonies in the 17th century. Unlike the settlers in areas such as Virginia who came to America seeking trade and fortune, the Northern colonists of the time were motivated by the opportunity for religious freedom. The New England colonists, many of whom were Protestant, brought with them to America a value for the ability to read as it was essential to studying the Bible. Without being literate one could not fully participate in church services or study God's word. The modern elementary school may be seen as an offshoot of the European educational institutions of that time whose purpose was to teach the basics of literacy to members of a church (Cubberley, 1919).

As the American colonies settled, public or tax-supported schools began to pop up. By 1670, public schools had been started in many areas such as Brooklyn, New York; Dorchester, Massachusetts; Newport, Rhode Island; Salem, Massachusetts; and Newbury, Massachusetts (Cubberley, 1934). At about the same time the schools were established, laws were passed in many of these colonies making some form of education compulsory for children and levying taxes on privately held property for public or colony needs. These laws of taxation and compulsory attendance for children form the foundation of our modern public schools.

The first and most noted laws regarding taxation come to us from the Massachusetts Bay colony in 1634 and 1638. The 1634 law taxed "every man according to his estate" (Records I, 1853). The interpretation of estate was to be all items that the man possessed, including his land, animals, and other valuable items. Over time the law was more simply interpreted as being a tax on land. As Walker describes it, "Practically, the tax was expected to apply only to land, the most visible and least movable form of wealth" (Walker, 1984, p. 268). The subsequent law in 1638 stated that those individuals that do not willingly pay their share of the public burden would be compelled to do so by the, "constable, or other officer of the town" (Records v. I, 1853).

In mid-17th century colonial America, education of youth was primarily a function of the parent or family. A small percentage of children trained as apprentices, and in some cases, they learned job skills but did not become literate (Spring, 2008). Even fewer were privately tutored to prepare themselves for participation in colony colleges such as Harvard (Massachusetts) and Yale (Connecticut). With these exceptions, most children were educated only to the extent that the parents saw fit. It soon became apparent to the leaders of the Massachusetts Bay colony that the "voluntary efforts on the part of the people and the towns would not be sufficient to insure that general education which was required by Puritan religious theory" (Cubberley, 1919, p. 17). The colony passed a law in 1642 to make masters and heads of families legally responsible for educating their children, while requiring officials in each town to ensure that this was done (Walker, 1984). As Cubberley noted, "This Law of 1642 is remarkable in that, for the first time in the English-speaking world, a legislative body representing the State ordered that all children should be taught to read" (Cubberly, 1919, p. 17). The purpose,

as stated by the law, was to ensure that all people in the colony could "read and understand the principles of religion and the capital laws of this country" (Records v. II, 1853). It is important to note that this law did not provide for the establishment of schools. Education was still the responsibility of the parent.

The colonial legislature went one step further in 1647, enacting what is commonly known today as the "Old Deluder Satan Law." The Massachusetts Law of 1647 required all towns with 50 or more households to appoint a teacher for the instruction of reading and writing, and all towns with 100 or more households to establish a grammar school (Spring, 2008). The distinction between the two requirements is important to note; the instruction in reading and writing was exactly and usually no more than that, while the grammar schools were designed to prepare pupils for the colonial universities. In summary, the 1634, 1638, 1642, and 1647 Laws of Massachusetts Bay established the following principles of American education:

1. The universal education of youth is essential to the well-being of the state.
2. The obligation to furnish this education rests primarily on the parent.
3. The State has a right to enforce this obligation.
4. The State may fix a standard which shall determine the kind of education, and the minimum amount.
5. Public money, raised by a general tax, may be used to provide such education as the State requires. This tax may be general, though the school attendance is not.

6. Education higher than the rudiments may be supplied by the State. Opportunity must be provided, at public expense, for youths who wish to be fitted for the university. (Martin, 1894).

New Hampshire, Connecticut, Plymouth (not yet annexed into Massachusetts), and Maine legislatures followed Massachusetts' lead soon after, passing legislation nearly identical to the four laws of the 1630's and 1640's establishing school systems supported by taxes (Walker, 1984). As the colonies grew, legislatures began to give authority to towns to create school districts, another feature of modern schools (Walker, 1984). While development of these schools were slow, varied from town to town, and the motives for public education today are clearly not tied to religion, the principles of education behind these New England colonial schools survived to influence the American landscape for centuries. The concepts of compulsory attendance, public taxation of property, and the education of youth being of benefit to the larger society had been introduced.

Not all American colonies shared the common vision or motivation of the Puritans in the establishment of schools. For example, Rhode Island, Pennsylvania, New York, and New Jersey were founded on the pretext of religious freedom, instead of being a homogenous society from one religious sect. Settlers in these colonies came from diverse countries throughout Europe including but not limited to Germany, France, Scotland, Ireland, Sweden, and England. The number of languages spoken and different sects of Christianity worshiped did not allow for common ground in the establishment of schools (Cubberley, 1919). In the Southern colonies religious homogeny existed, but on the plantations a system of private tutoring for the wealthy and pauper schools for the

poor developed. These pauper schools were financed largely by poll taxes during the 17th and 18th centuries. This school structure was similar to that of England where many of the Southern colonists emigrated from (Cubberley, 1919). It would be fair at this point to summarize by saying that colonial education was a reflection of the people in each colony; their backgrounds, motivations, goals, and hopes in coming to America (Bishop, 1975). It would not be until the American Revolution that the citizens in these colonies would pull together for education not for religious ends, but for the purpose of establishing and preserving the new republic.

The Need for Public Schools in the United States

The purpose of public schooling in the early days of the United States had shifted from the religious intent that drove the earlier formation of schools. The colonies had grown significantly in population in the nearly 150 years between the Massachusetts law of 1647 and the turn of the 19th century. The population's motives were not driven by freedom of religion, but rather freedom from the crown of England. By 1750 even the New England colonies fervor for religion had faded into the background as the lines between religious sects merged and no one religion dominated the life of the colony (Cubberley, 1919). Instead, the impetus for educating youth was to develop the talents and abilities of individuals in the colonies. This development would lead to a population better able to guide its own destiny and would help the newly formed States to survive. The importance of an educated electorate became even more important in the 1820's as suffrage was extended to all adult males regardless of property ownership status. Thomas Jefferson, in 1799, summarized the importance of education to the interests of the United States while he served as a state legislator in his *Note on the State of Virginia*:

> Of all the view of this law none is more important, none more legitimate, than that of rendering the people safe, as they are the ultimate guardians of their own liberty. For this purpose the reading in the first stage, where they will receive their whole education, is proposed, as has been said, to be chiefly historical. History by apprising them of the past will enable them to judge of the future. (Jefferson, 1799)

In the time immediately following the Revolutionary War the colonies, now seeking to become States, drafted constitutions. The individual State constitutions were a reflection of the authority delegated to them by the Articles of Confederation and later the Constitution of the United States. The United States Constitution, when passed, did not include language relative to education. Several acts, including the Northwest ordinances of 1785 and 1787, encouraged education but the federal government did not have any real power to regulate the educational process across the land. The infrastructure did not exist for the federal government to provide for the education of its population, and there were other larger issues at hand in the development of the new Republic. The enterprise of educating youth fell under the 10th amendment to the constitution, which delegated any powers not listed in the Constitution to the states. At this point, each new state was on its own to create educational policy, and each state did so differently.

Of the original 13 states, seven of them viewed education as a high enough priority as to incorporate language mandating it in their constitutions. The language varied, as some created schools partially subsidized by taxes but reliant on rate bills (tuition). Not surprisingly the New England states, the birthplace of the first tax-supported public schools, drafted the most comprehensive language in the public support

of schools (Cubberley, 1934). Conversely, authorization for tax-supported public schools took longer to develop outside of the Northeastern part of America. It was late in the nineteenth century until several southern states provided for public education on a state-wide scale, and many rural areas did not have secondary education available until after World War I (Johns, 1972).

Those individuals isolated from the cities and the effects of trade and war viewed the taxation for public schools with skepticism. This was especially true for those that had no children to educate; they saw no direct benefit for the taxes that they would pay. To take tax money from someone to educate a neighbor's child was equated to plowing one's field with a neighbor's ox. Even those with children may not have seen the need for any more than a basic understanding of how to read. The children were valuable as labor in the process of establishing and maintaining farms, and could not be spared. At the time of the ratification of the United States constitution there were only five cities with a population greater than 8000, and the country was engaged largely in the business of agriculture (Cubberley, 1919). Many early citizens in the United States saw no need for literacy or education as it did not affect everyday life (Johns, 1972).

The influence and growth of public education came on the heels of social change, including the development and growth and the industrialization of large cities. In the early 19th century the population of the United States, once evenly distributed among farms, became increasingly concentrated around industrial centers and transportation hubs. The number of cities with a population over 8,000 grew from the five in 1789 to 13 by 1820, 44 by 1840, and 141 by 1860. Most of these cities were concentrated in the North, while the South remained largely agricultural (Cubberley, 1919).

In these new cities conditions existed that had never existed before in any culture. The diversity of the cities brought new problems, including crime and the breakdown of traditional family roles. Many women and children went to work in the factories, often for long hours and low wages. This strained traditional family relationships and presented new challenges (Knight, 1951). The system of schools that existed in the cities, supported by churches and charity, became overloaded by the strain on them from the growth of the population (Cubberley, 1919). As Cubberley stated, "Idle and uneducated children, with little or no home control, appeared in numbers on the streets, and the prevalence of juvenile crime and juvenile arrests began to turn attention to education as a possible remedy." (Cubberley, 1919)

Men of the time began to realize slowly that the benefit of education did not lie with the individual child but with the larger adult society. The words and thoughts of people like Thomas Jefferson began to spread, and the debate over education found its way into State legislatures all over the United States. Elected officials, usually educated professionals concentrated in larger cities, set about the task of persuading their communities of the merits of an educated population. Social and political benefits were the most common forms of persuasion used to support the ideas of those who favored public education. DeWitt Clinton, Governor of the State of New York for nine years (1817-22; 1824-28), was among the first of many state officials to advocate for public education in their states (Fitzpatrick, 1911). Horace Mann, as Secretary of the Massachusetts Board of Education, is famous for his influence in extending public education not only in Massachusetts but in other states where officials read his Annual

Reports. In Pennsylvania, Thaddeus Stevens made this plea to the State House of Representatives which sums up the concerns of those lobbying for public education:

> Every elector must have sufficient information, not only to accumulate wealth, and take care of his pecuniary concerns, but to wisely direct the legislatures, the ambassadors, and the executive of the nation- for some part of all these things, some agency in approving or disapproving of them, falls to every freeman. If then, the permanency of our government depends on such knowledge, it is the duty of the government to see that the means of information be diffused to every citizen. This is a sufficient answer to those who deem education a private and not a public duty- who argue that they are willing to educate their own children, but not their neighbor's children. (Stevens, 1835, p. 285)

In contrast to Stevens' appeal for an educated electorate, Daniel Webster in Massachusetts addresses social concerns as a motive for education:

> By general instruction, we seek, as far as possible, to purify the moral atmosphere; to keep good sentiments uppermost, and to turn the strong current of feeling and opinion, as well as the censures of the law, and the denunciation of religion, against immorality and crime… by the diffusion of general knowledge and good and virtuous sentiments, the political fabric may be secure, as well against open violence and overthrow, as against the slow but sure undermining of licentiousness. (Webster, 1856, p. 591)

Regardless of the motive, public schooling began to become increasingly popular across the United States. The debate now would become how such schools would be funded.

Foundations for Tax-Supported Public Schooling in the United States and the Increasing Cost of Education

Immediately after the Revolutionary War little support existed in the United States for any form of taxation. Americans had just fought a war over taxation, and were resistant to any imposition on their new freedom. Many services in communities were provided using non-tax revenue. When taxes were required for public services, especially those in the cities, they came in the form of property and poll taxes. Both were efficiently administered at the local level (Walker, 1984).

As a result of the lackluster response to calls for tax support, school revenue sources varied across the United States. Some schools generated revenue through charges to the parents of the pupils. These tuition fees for private schools and rate bills for public institutions often limited student's access to schooling. Local governments attempted to help support the public schools through land grants or special fees. Individuals also supported the cause of education through endowments or gifts of land. Various other charitable organizations and school societies attempted to defray the cost as well, usually through systems of pauper schools (Butts, 1955).

The support for public schools began to grow through the first half of the nineteenth century, but generally in one locality at a time. State-wide support tended to grow in stages, securing broader and more far-reaching legislation as more and more

communities began band together in support of school districts. Many states began to pass permissive legislation, allowing counties or towns to organize a school district and tax property within the boundaries of that district. By 1834, New York, Virginia, New Jersey, Missouri, Ohio, Illinois, Maryland, Rhode Island, and Kentucky legislatures had all passed legislation allowing for school districts to be formed supported by local taxes. These taxes were in many cases voluntary, and usually no sanction existed for those that did not pay. As time went by, laws regarding school taxation continued to strengthen in many states, and State legislatures removed any requirement that the landowner consent to the tax applied. As support for schools grew in each state, many began to provide aid to local districts through endowments or grants of state tax dollars based upon enrollment or the number of instructors at each school. Some states even made local support for schools a requirement for a community or county to receive state tax revenue. The exception to this trend was the Southern states; none besides Virginia and Kentucky provided permissive legislation for school tax district formation until well after the Civil War (Walker, 1984).

As support for education began to be taken on more and more by taxpayers, the rate bill system of charges began to disappear from the landscape of American education. The driving philosophy behind the elimination of the rate bill was to provide a free education for all children; the idea that the only free education was for paupers was fading. Charges that restricted access to schools began to be outlawed in many states. The process was slower than that which permitted taxation for schools, and in many states, did not pass until after the Civil War. By 1871, Pennsylvania, Indiana, Ohio, Illinois,

Vermont, New York, Connecticut, Rhode Island, Michigan, and New Jersey had all outlawed the rate bill (Cubberley, 1919).

At the same time that support for school taxes and free public education was increasing, the cost was rising as well. One contributing factor to the increased cost of education was the rise of the high school in the second half of the nineteenth century. In 1850 less than 50 public high schools existed in the United States; by 1860 that number grew to 321. High schools continued to grow and multiply through World War I, popping up in the cities first. States encouraged the growth of high schools, and as the 20th century began, began to mandate the establishment of high schools. In 1901, Massachusetts mandated a high school in every town of 500 families and all other towns to pay tuition for students to attend high school in a neighboring town. Included in the high school curriculum were new subjects and courses of study that required more advanced equipment and instructional materials. Providing these new programs and the extra years of instruction added significantly to the cost of education in a community, and often only those wealthy communities with larger tax bases could afford such programs (Cubberley, 1906).

Contributing to the rising cost of education were the mandates States began to impose on the quality of instruction and the length of the school year. In the early 1800's the majority of teachers had no formal instruction or certification. Books were not necessarily provided to poor children that could not pay for them. Some school districts, even those levying a mandatory property tax, could not afford to have school more than 70 days per year. Conditions in many early public schools differed little from those in the pauper schools.

The growth of quality in American public schooling began with the work of Horace Mann in Massachusetts. Mann lobbied continuously throughout his tenure as Secretary of the Massachusetts Board of Education to improve conditions in the public schools. Mann was able to double the amount spent on education, add a month to the school year, and increase teachers' salaries during the 12 years he spent in office. His work also included the publication of annual reports highlighting the progress of the state educational system as well as its flaws, and improvement in instructional methods. Mann labored to diffuse these methods to the teachers in his state and throughout the nation until his death in 1859. It may be said that no other individual in the history of the United States did more to improve public education (Updegraff, 1922).

In Connecticut Henry Barnard did much of the same work to improve the quality of schools. In 1839, Barnard established the first teacher's institute, lasting for six weeks. He organized school libraries, and wrote extensively on school facilities and construction. His work lobbying for increased taxes for schools drew the ire of the Governor, who through the legislature, eliminated Barnard's position in 1842. In 1843 Barnard was invited to Rhode Island and served as the State Commissioner of Public Schools from 1845 to 1849. During his time in Rhode Island he traveled throughout the state teaching teachers (Cubberley, 1919).

The work of Mann and Barnard did not go unnoticed. Many other states followed the lead of Massachusetts and Rhode Island. In each state the leaders that followed these two men began to institute reforms including lengthening the school year, requiring certification for teachers, improving teacher salaries, establishing libraries, and improved

school construction. Each of these initiatives resulted in an increase in the cost of educating students.

School districts, whether they were organized by town, township, or county, varied in their ability to finance the educational reforms that came about in the 19th century. Where the nation's wealth was somewhat evenly distributed at the time the Constitution was ratified, one century later the growing industrial centers of the North held a disproportionate amount of the wealth when compared to their population. With this disparity in wealth came a disparity in the local school district's ability to fund public education, and the beginnings of the movement toward equalization (Updegraff, 1922).

The Movement Toward Equity- The Introduction of Equalization

> Because a child is unfortunate enough to happen to live in an arbitrarily formed area… is no reason why he should be provided with only half the term of school of another child in a neighboring artificially formed area… (Cubberley, 1906, p. 217)

At the turn of the 20th century educational quality varied greatly across the United States. Almost every child had a free public education available to them, but while many urban school districts provided instruction for eight or nine months a year, many rural districts could only afford to keep their doors open for three or four months a year. The educational opportunities were the least in the Southern states, still ravaged from the Civil War. Across the South and in many other rural areas access to high schools was non-existent (Johns, 1973).

The disparities in the finance of public education around 1900 came under scrutiny from a new class of educational leaders. Where in the past many school headmasters had been formally trained in other professions, in the late 19th and early 20th centuries a growing number of school superintendents and other educational leaders had received formal training in the field of educational leadership. Schools for the study of the educational process, called normal schools, were created in many states. At these normal schools a new generation of educational leadership began to conduct research and publish works about the improvement of education. In addition to the formal training, groups of professionals in education began to come together as well. The National Education Association and the American Association of School Administrators have their foundations in the late 1800's (Johns, 1973).

One of the first and most famous works on the issue of disparities in school finance and equalization was *School Funds and Their Apportionment* by Ellwood Cubberley published in 1906. A revised version of Cubberley's doctoral dissertation, *Funds* was a historical look at the development of the school finance problem as he perceived it and his thoughts on the solutions states had created to address those problems. He collected data from almost every state in the union and used examples to illustrate his points, but focused on Massachusetts more than any other because of its population density (the second highest of any state at that time) and the fact that Massachusetts kept the most comprehensive records of public schools at the state level of any state in the Union.

Cubberley opened with the notion that a free common school education was assumed to be, "the common birthright of every American child" (Cubberley, 1906, p.

15). He noted that all states had school laws and had established a purpose for public education through their laws and constitutions. What concerned Cubberley was that there were in many instances across the United States where it was impossible for town, township, or county school districts to provide what in many cases what considered to be a minimum standard for an education since these local districts did not have adequate financial resources. He was clear that he believed the solution to the problem was not to lower the minimum standard but to raise all school districts up to that minimum through the thoughtful apportionment of school funds.

In 1900, eighteen states had passed legislation to limit the property tax (Walker, 1984). Even when levying taxes at this maximum rate, many rural schools could not meet their states' minimum requirements for the length of the school term. What made Cubberley's work significant and innovative was his position that a state has the duty to provide what is determined to be a minimum level of education for all students, and must fill in the gap between that minimum level of education and what the local taxpayers could reasonably provide (Cubberley, 1906).

Conversely, there were many examples of districts across the United States that were able to provide educational opportunities well beyond the minimum required and do so with little effort. The inequities in education matched the inequities in local per capita wealth. The uneven distribution of wealth, in the cities and along trade routes, was not taken into account by most states. Even when some states had taken steps to provide some level of funding to school districts, much of the funding was distributed evenly on a per capita basis. A few others based their support on the number of teachers employed or

the aggregate day's attendance. This did little to reduce the differences in what services districts were able to provide.

Cubberley's solution was to provide a method for distributing school funds whereby a state would tax for public schools and distribute the funds based on a combination of the number of teachers employed by the district and the aggregate days' attendance. Cubberley also suggested that states hold back a percentage of these funds, and allow school districts to apply for extra monies for school operations including raising teacher salaries and lengthening the school year to whatever minimums the state should establish. Cubberley estimated that three-fourths of the states needed to "carefully revise" their apportionment of school funds in order to provide a minimum level of education across the state. Cubberley also suggested that the extra fiscal inputs from communities for high schools and kindergartens be rewarded by the state, encouraging local districts to raise their local tax rates though corresponding increases in state aid (Cubberley, 1906).

After the work of Cubberley, there began to emerge other theories on the best way to equitably distribute school funds. The next well-known writings come from Harlan Updegraff. In his 1921 work, *Rural School Survey of New York State: Financial Support*, Updegraff proposed that funds from the state for schools be distributed in such a fashion that the funds went to individual districts in a manner inversely related to their wealth and directly related to the local effort or tax rate. Updegraff proposed that any district, regardless of local wealth, should be able to afford the same amount per pupil at the same level of effort. He went further, as did Cubberley, to say that a district may go beyond the determined minimum to provide whatever education the local district deems necessary.

Like Cubberley, Updegraff's focus was not necessarily on equity but on establishing a ground floor for what would be considered a satisfactory education and making sure that all districts could provide that education with a reasonable tax effort. What Updegraff and Cubberley did not specify was a minimum tax rate for schools; the compensation from the state for schools was directly proportional to the school district's effort. Updegraff compiled a large body of financial information to create one of the first formulas for state aid, which by the end of his work, reflected assessed value per teacher, equalized assessed valuation, and other statistics still used today to apportion funds to schools. States had used such formulas prior to Updegraff's work, but his text was the most detailed published discussion of the raw numbers by an educator to that point in American history (Updegraff, 1922).

The following year in 1923 George Strayer and Robert Haig published *The Financing of Education in the State of New York*, another landmark in education finance literature. They took the concept of equalization a step further when they proposed how they would determine how local taxes would be levied and funds equalized. Strayer and Haig proposed that a tax rate should be determined that would provide the minimum required level of education in the richest district. In theory that richest district would be able to levy that local tax and provide the type of education required by law without any state assistance. All other districts would levy that same rate for the support of schools, but come up short in their ability to finance the minimum level of education. States would then have the responsibility to bridge the gap and bring all other districts up to the minimum standard. This plan differs from Cubberley and Updegraff in that there is no reward from the state for exceeding the minimum educational level (Johns, 1973). The

state levels all districts up to the minimum and stops there. In addition, the state determines a minimum tax rate for all schools everywhere in the state, regardless of the district. Individual districts under the Strayer-Haig formula could go beyond the set minimum if they so chose by increasing the local tax rate. (Strayer and Haig, 1923) In the words of Strayer and Haig:

> There exists today and has existed for many years a movement which has come to be known as the "equalization of educational opportunity" or the "equalization of school support." These phrases are interpreted in various ways… Most of the supporters of this proposition, however, would not preclude any particular community from offering at its own expense a particularly rich and costly educational program. They would insist that there be an adequate minimum offered everywhere, the expense of which should be considered a prior claim on the state's economic resources. (Strayer and Haig, 1923, p. 173)

Following the work of Strayer and Haig, in 1924 Paul Mort published *The Measurement of Educational Need* which made practical many of Strayer and Haig's ideas. Mort's contribution to the system of financing schools was introduction of the concept of unusual expenditures. According to Mort, unusual expenditures beyond the control of the district or community should be recognized and equalized, or paid, by the state (Mort, 1924). Examples of this today may include the transportation cost in a rural district or the cost of educating a student with special needs. The concept of a weighted pupil and categorical state aid is born in Mort's work as he was the first to recognize that all students and districts are not created equal. By 1972, 42 states had incorporated

Mort's concepts of equalization with categorical aid into their school finance systems (Johns, 1973).

Henry Morrison, a professor at the University of Chicago, developed a very different idea of equalization than his colleagues of the 1920's. In his 1930 book, *School Revenue*, Morrison noted the failure of state funding systems to correct the inequities in the financing of public schools. He stated that schools had not corrected the problem of equity, and most likely would not if the status quo continued. Morrison advocated the elimination of individual school districts, and proposed that the state levy all school taxes and administer schools state wide. He also suggested that the income tax replace the property tax for funding education (Morrison, 1930). Morrison's ideas were largely marginalized as being both an overreaction to the issue of equalization and a threat to those who advocated for local control of schools (Bishop, 1975). It is interesting to note that the debate over issues of equity, property tax rates, and the weighting of pupils still exist in 2010 and that there are those who strongly advocate for an income tax based system similar to the one proposed by Morrison almost 80 years ago.

The Struggle for Civil Rights Sparks a Debate Over Educational Resources

As the United States moved into the 1950's and 60's, the civil rights movement began to reform the structure of public schools. The Fourteenth Amendment to the United States Constitution took center stage in the civil rights movement and the resulting litigation; particularly the last sentence in the first clause which states that "No State shall… deny to any person within its jurisdiction the equal protection of the laws" (U.S. Constitution, Amend. XIV, 1868). Over the course of time the Courts have developed a

system of judicial review by which alleged violations of the Fourteenth Amendment must pass. First, for an action to be considered a violation of the Fourteenth Amendment, it must be considered a "fundamental interest", meaning it refers to rights guaranteed by the Constitution (Wortham, 1985). If the action in question is not considered a matter of fundamental interest, states have more freedom in their regulation of the activity. Second, there must be an identifiable group or classification of individuals that have been treated differently under the law or policy. Some groups or classifications are necessary for governments to operate, such as those created by grouping students for educational purposes by geographical means, and these groupings are generally considered reasonable. Other methods of grouping or classifying, such as those based on race or religion, are "inherently suspect" and considered as problematic if there are differences in the application of the laws between the groups (Wortham, 1985). In any State action where a suspect class can show that a matter of fundamental interest has been denied or subject to discrimination, the State must show a "compelling state interest" in a particular action and no less discriminatory policy or process by which the same result can be achieved (Odden & Picus, 2004). This test is known as "strict judicial scrutiny". Very rarely do actions subject to strict judicial scrutiny pass the standard of judicial review (Odden & Picus, 2004). In any State action where a group that is not a suspect class but still identifiable has been subject to unequal treatment by the laws, the State must simply show a rational basis for the action for the action to pass the Court's muster (Nowak, Rotunda, & Young, 1986).

The civil rights litigation with the most impact on public schools in the 1950's addressed segregation. "Separate but equal" schools based on race were found to be

unconstitutional in the 1954 Supreme Court decision *Brown v. Board of Education of Topeka*. This marked the first time the United States Supreme Court guaranteed education as a fundamental right and asserted that the federal government had the authority over States to guarantee that right to all persons equally. The court ruled that providing "separate but equal" facilities to two different classifications of individuals turned out to be anything but equal, and that the system in place violated the equal protection clause of the Fourteenth Amendment. The Court subjected the defendants in Brown to strict judicial scrutiny, and in a unanimous decision, the Court explained the importance of education to justify its action in the case:

> (Education) is required in the performance of our most basic responsibilities, even service in the armed forces. It is the very foundation of good citizenship. Today it is a principal instrument in awakening the child to cultural values, in preparing him for later professional training, and in helping him to adjust normally to his environment. In these days, it is doubtful that any child may reasonably be expected to succeed in life if he is denied the opportunity for an education. Such an opportunity, where the State has undertaken to provide it, is a right which must be made available to all on equal terms. (*Brown v. Board of Education of Topeka*, 1954)

In the years following the *Brown* decision the civil rights movement began to take legislative hold in the United States. In 1963 President John F. Kennedy, in a nationally televised address, called for the nation to take action to guarantee equal treatment of all Americans regardless of race. Kennedy would later call for legislation that would address voting rights, discrimination, educational opportunity, and more. President Kennedy's

proposition came to fruition on July 2, 1964 when Congress enacted the Civil Rights Act of 1964. Signed into law by President Lyndon Johnson just hours after approval in the House of Representatives, the bill had considerable support from both Democrats and Republicans (U.S. National Archives & Records Administration, 2010).

The Civil Rights Act of 1964 was clear in that it strictly forbid discrimination on religious or racial characteristics. Title III Section 301(a) provides for injunctive relief to individuals for any action that, "threatened… the loss of his right to equal protection of the laws, on account of his race, color, religion, or national origin" (Pub.L. 88-352, 78 Stat. 241, 1964). Interestingly, this section excludes public schools and colleges. Further along in the document, Title VI Section 601 forbids exclusion from participation in or the denial of benefits from any program receiving federal funds on the basis of race, color, or national origin. The language of these sections of the Act, as well as the equal protection clause of the Fourteenth Amendment to the United States Constitution, would later be germane in the arguments of individuals seeking to challenge the basis on which public schools were funded.

Title IV, Section 402 of the Civil Rights Act of 1964 called for a survey of the equality and availability of educational opportunities across the United States and its territories. The survey would take into account race, color, religion, and national origin (Pub.L. 88-352, 78 Stat. 241, 1964). Published in 1966, the Survey of Educational Opportunity (also known as the Coleman Report, after its lead researcher) was groundbreaking in its analysis of variables affecting educational quality. The report spanned over 700 pages, and the data compiled included statistics on schools' physical

plant, per-pupil expenditure, and curriculum offerings. Additionally, data was collected regarding personal, academic, and social statistics on students, parents, and teachers.

The results of Coleman Report were controversial in the fact that the report called for states to improve educational conditions and opportunities for the least advantaged, particularly African-American, Native American, and Hispanic students, to achieve equity in the educational system (Bishop, 1975). The report noted social characteristics common to minority students that put them at a disadvantage including poverty, community attitudes, and the low levels of education among minority parents. The report also noted glaring inequalities in the schools attended by African-Americans and other minorities when compared to Caucasian students. There were significant differences in teacher quality, the presence of science lab facilities, libraries, and the quality of teaching materials. Minority students reported feeling as though they had less control over their own destiny, and had a higher drop-out rate. A significant find showed that minority students would perform significantly better in the presence of, "schoolmates with strong educational backgrounds" (Coleman et al., 1966). The Coleman Report continued to say that disadvantaged (minority) students got a much greater educational boost from improvements in school quality than Caucasian students. As the Coleman Report summarizes,

> With some exceptions – notably Oriental Americans – the average minority pupil scores lower on (achievement) tests at every level than the average white pupil. The minority pupils' scores are as much as one standard deviation below the majority pupils' scores in the 1st grade. At the 12th grade… the minority scores are farther below the majority than are the 1st graders. For some groups, the

> relative decline is negligible; for others, it is large. For most minority groups, then, and most particularly the Negro, schools provide little opportunity for them to overcome this initial deficiency; in fact they fall farther behind the white majority in the development of several skills which are critical to making a living and participating fully in modern society. Whatever may be the combination of non-school factors which put minority children at a disadvantage in verbal and non-verbal skills when they enter the first grade, the fact is the schools have not overcome it. (Coleman et al., 1966)

The Coleman Report clearly showed in its findings links between minority student achievement and the educational resources dedicated to those students. The Report highlighted differences in educational expenditures and resources, while connecting the resource issue to social characteristics and data showing the effect that inputs can have on student performance on standardized tests. The Coleman Report represents the first time a large-scale study was able to demonstrate and quantify the significance of financial inputs by showing how they impacted student achievement. From the data and conclusions of the survey, the differences in individual school districts' per-pupil expenditure within states came to be viewed by some as discriminatory even in situations that did not involve racial differences. It was postulated that students in poor school districts might not be able to attain the same level of educational achievement as students in districts with more funding, and this line of thought developed into the foundation for a series of legal challenges to the way schools across the nation were funded.

Citizens in areas with few local resources for education began to rise in support of leveling the playing field in the domain of school finance. Some individuals protested their systems of school finance because they did not provide equal or adequate resources, while others protested the unequal property tax burden placed on them as a result of the relative wealth of the property in their school district. As Morrison had predicted in 1930, by the 1960's large disparities in per-pupil expenditure resulting from differences in property wealth per pupil existed in almost every state in the nation. Inequities in educational resources between school districts as a result of the reliance on local property taxes have been debated by the public and in courtrooms across the United States ever since. In most cases school funding reform has been accomplished in legislation only after challenges to funding methods had been litigated. While the results of the litigation has been mixed, in the half century since the Coleman Report the method of protesting the illegality of the law has evolved in three distinguishable approaches.

The First Wave of Litigation Concerning School Funding Systems- Equal Protection Challenges

School funding challenges in the courts have evolved significantly over the last forty years. Challenges have been brought forth in state as well as federal courts, and by 2006 all but five states have had their funding systems challenged (Hunter, 2006). Success in reforming school funding systems through litigation has been mixed, though even the failed litigation in some circumstances did inspire change. As a result of failed litigation through the years, those that have advocated for changes to school funding have shifted their legal attack to find courts and language that would be most beneficial to their cause (Heise, 1995). Thro (1990) analyzed litigation concerning school funding and

determined that the challenges brought forth took place in three chronological waves, from three different legal perspectives. The first wave of litigation began in the 1960's and continued through the early 1970's. In this first wave of litigation, plaintiffs challenged funding systems alleging that their Fourteenth Amendment rights to equal protection under the law were violated by current methods of distributing school funds at the time.

One significant challenge of school funding methods using the Equal Protection clause of the Fourteenth Amendment came from the state of California in 1968 and was decided by the California Supreme Court in 1971. A father, John Serrano, brought a class action suit against Ivy Priest, the California State Treasurer, challenging the manner in which California public schools were financed. The Plaintiffs asserted that education was a fundamental interest of the State, disparities in the financing of districts created disparities in educational opportunities for students, that the plaintiffs were subject to a higher rate of taxation than taxpayers in other school districts for the same or lesser educational opportunities, and this difference in treatment amounted to discrimination based upon a classification determined by local property wealth (*Serrano v. Priest*, 1971). To illustrate their argument the attorneys for the Plaintiffs compared Beverly Hills Unified School District against nearby Baldwin Park Unified School District. Beverly Hills had $50,885 worth of assessed valuation per pupil compared to $3,706 in Baldwin Park in the school year 1968-69; a ratio of 13:1. During the same time the Beverly Hills school system spent $1,231.72 per pupil, compared with Baldwin Park's expenditure of only $577.49. Finally, the Beverly Hills taxpayers needed only to pay a school property tax of $2.38 per $100 assessed valuation to support their high level of school spending,

while the residents in Baldwin Park needed to levy a tax of $5.48 per $100 assessed valuation to fund its schools with only half of the financial resources of Beverly Hills. The Court described the difference between these two types of school districts by saying, "affluent districts can have their cake and eat it too: they can provide a high quality education for their children while paying lower taxes. Poor districts, by contrast, have no cake at all" (*Serrano v. Priest*, 1971).

The California Supreme Court ruled in favor of the Plaintiffs in *Serrano*, and remanded the case back to the trial court to enforce a transition to a method of funding schools that would be aligned with the United States and California State Constitutions. Their rationale began with acknowledging that education was of fundamental interest to the government such that it created an educated electorate capable of exercising the right to vote and that the State of California had made education compulsory. The California Supreme Court continued to say that the method of funding schools was, "mandated in every detail by the California Constitution and statutes", and that the state has the burden of providing equal protection by its own laws. Finally, while the Court acknowledged that differences in financing are inevitable as long as districts maintain local control and voters determine their own tax rates, the differences in property wealth between school districts was so large as to make the concept of local determination of per-pupil expenditure a "cruel illusion" (*Serrano v. Priest*, 1971). The California Supreme Court also found that wealth, whether looked at on an individual or group basis, cannot become a basis for unequal treatment of individuals.

Plaintiffs in litigation at the federal level would not be as successful in using the equal protection clause of the Fourteenth Amendment to redress their grievances.

Beginning in 1968, *Burruss v. Wilkerson* in Virginia and *McInnis v. Shapiro* in Illinois both made their way to federal court. In both cases the plaintiffs argued that school finance systems that rely heavily on local property taxes, which are inherently unevenly distributed, create systems that treat individuals differently. The State, by not providing for equalization of school funding, deprived children in poor school districts access to equitable educational resources (Alexander & Salmon, 1995) (*McInnis v. Shapiro,* 1969) (*Burruss v. Wilkerson*, 1970).

In both cases the federal district courts ruled against the plaintiffs. Both cases were appealed by the plaintiffs and summarily affirmed without an opinion by the United States Supreme Court; *McInnis* in 1969, and *Burruss* in 1970. Both courts saw differences in per-pupil expenditure, but did not find any inconsistencies with the enforcement of the laws in place. In *McInnis*, Justice Decker wrote in the opinion of the court that the Fourteenth Amendment does not require that the per-pupil expenditure in public schools be the same, and that "the lack of judicially manageable standards makes this controversy nonjusticiable" (*McInnis v. Shapiro,* 1969). In *Burruss*, the court dismissed the case due to the fact that the differences in the "outlays on one group are not invidiously greater or less than that of another" (*Burruss v. Wilkerson, 1970*). In both cases the courts did not want to mandate that funding per-pupil had to be the same, nor did they want to face the task of determining how much difference could exist before the laws became unconstitutional in each state. The courts followed precedent from the U.S. Supreme Court that they would not act in such a way as to become a "superlegislature or a censor" (*Salsburg v. Maryland,* 1954). The position of the Federal District Court in *McInnis* sums up the position taken by the courts in both cases:

> Unequal educational expenditures per student, based upon the variable property values and tax rates of local school districts, do not amount to an invidious discrimination. Moreover, the statutes which permit these unequal expenditures on a district-to-district basis are neither arbitrary nor unreasonable. (*McInnis v. Shapiro*, 1969)

In 1971, then, there was a conflict between the decisions of the California Supreme Court in *Serrano* and the earlier federal court rulings in *McInnis* and *Burruss*. The case that would settle the federal stance on the disparities in financial resources between school districts was *San Antonio Independent School District v. Rodriguez*. Initially filed in 1968, the case was decided by the United States Supreme Court in 1973, two years after the *Serrano* decision. In *Rodriguez,* parents sued alleging that their right of "equal protection of the laws" was violated by the method in which Texas appropriated funds for public schools, as the system relied on local property taxes which created disparities in per-pupil spending. They argued that education is a fundamental right, per-pupil expenditure had a direct relationship to the quality of the education given to students, and that educational quality should not be subject to geographical location or any artificially created area (Heise, 1995). They brought the class-action lawsuit forward on behalf of minority children and those who are poor and reside in school districts with small property tax bases (*San Antonio Independent School District v. Rodriguez,* 1973).

The Court decided in a 5-4 decision that Texas' funding system, with its disparities in per-pupil expenditure resulting from differences in local property wealth, was not in violation of the Constitution. First, the Court determined that the case did not call for the test of strict judicial scrutiny, since the Court determined that education was

not an explicitly or implicitly protected fundamental right; a noteworthy shift from the *Brown* and *Serrano* decisions. In the Majority opinion of the Court, Justice Powell acknowledges that education is the "very foundation of good citizenship." He goes on, however, to state that the Court would not and should not pick out any human activities, characterize them as "fundamental", and give them added protection, unless they were established in the United States Constitution as fundamental (*San Antonio Independent School District v. Rodriguez*, 1973). The Court concluded that while per-pupil expenditures differed between school districts, the education provided by the school districts met the minimum requirements of the Texas Education Code (Verstegen & Whitney, 1997). Finally, in stark contrast to *Serrano*, the Court stated that there was no identifiable class of citizens harmed by the funding disparity; since the plaintiffs could not prove establish that low income families were concentrated in low-spending school districts (Heise, 1995). The Court did not see the distribution of wealth as being a deliberate discriminatory exercise against any particular group based upon their race, religion, or national origin. The Court stated in its decision:

> Even if it were conceded that some identifiable quantum of education is a constitutionally protected prerequisite to the meaningful exercise of (the right to free speech and the right to vote), we have no indication that the present levels of educational expenditures in Texas provide an education that falls short… only relative differences in spending levels are involved… No charge fairly could be made that the system fails to provide each child with an opportunity to acquire the basic minimal skills necessary for the enjoyment of the rights of speech and of

> full participation in the political process. (*San Antonio Independent School District v. Rodriguez*, 1973)

The *Rodriguez* decision laid the groundwork for the concept of an adequate minimum educational standard. The requirement for challenging any cases regarding school finance at the federal level would require a plaintiff to meet the burden of proof that a state system was not providing a basic education necessary to exercise the rights of citizenship (Verstegen & Whitney, 1997). Simply demonstrating that inequality in financing exists is not enough to claim that the right to equal protection of the law has been violated, since any local method of control and taxation is subject to variation because the jurisdictional boundaries that are established would be "inevitably arbitrary" in wealth (*San Antonio Independent School District v. Rodriguez*, 1973). Additionally and perhaps most importantly, the lack of wealth in a school district or any other area was not sufficient enough to create any form of suspect class by which individuals in that class could be discriminated against.

Justice Thurgood Marshall's dissent, joined by Justice William Douglas, disagreed with the concept of a minimum adequate education. He wrote that even though states may provide enough resources for an adequate education, however an adequate education may be defined, discrimination in the provision of education is not constitutionally excusable. Justice Marshall opined the following on how the Fourteenth Amendment should apply to education:

> The Equal Protection Clause… mandates nothing less than 'all persons in similar circumstances shall be treated alike… Inequality- not some notion of gross

> inadequacy- of educational opportunity that raises a question of denial of equal protection of the laws. (*San Antonio Independent School District v. Rodriguez*, 1973)

There can be no question that the philosophy of whether or not education was a fundamental right changed in the time period between the *Brown* and *Rodriguez* decisions. Some credit for the difference is given to the evolution of the makeup of the Supreme Court itself. During the tenure of Chief Justice Earl Warren from 1953 to 1969, the Supreme Court extended judicial review to areas not explicitly mentioned in the Constitution (Kozlowski, 2003). The *Brown* case is no exception, reversing the *Plessy v. Ferguson* decision from 1896 by broadening the application of the Fourteenth Amendment. Many other progressive cases followed suit, especially after the 1962 appointment of Supreme Court Justice Byron White (Broadwater, 2002). In the 1968 Presidential election the liberal judiciary became a campaign issue, and with Republican Richard Nixon's election, the court was going to see more conservative justices appointed. When Warren retired in 1969 he was replaced by Chief Justice Warren Burger, in an attempt by Richard Nixon to move the court to a more conservative stance. In some cases the court remained quite liberal after Burger's appointment to the court (i.e. – Roe v. Wade), but the court did begin to exercise a great deal more caution when applying the tests of the Fourteenth Amendment to social issues (Broadwater, 2002). The Rodriguez case was adjudicated in front of the newer, more conservative court, and the Fourteenth Amendment benefits afforded in Brown did not carry over. The Supreme Court's ruling in *Rodriguez* essentially shut the door to any other litigation at the federal level regarding equity issues in school finance (Dawn-Fisher, 2006).

The Second Wave of Litigation Concerning School Funding Systems- Challenging State Constitutions

After the ruling in *Rodriguez*, advocates for equity in school funding abandoned the federal courts as an avenue to pursue litigation. Where the efforts in federal courts had been unproductive, the *Serrano* decision in California demonstrated to reformers in other states that there could be hope at the state level. All state constitutions had an education clause, though the language across the nation varied dramatically from one state to another. Individuals or groups bringing forward legal action to challenge the funding systems of public schools in state courts using state constitutions as a foundation for their claims were far more likely to find favorable constitutional language to build their argument around (Heise, 1995).

One month after the Supreme Court's decision in Rodriguez, the New Jersey Supreme Court rendered a decision in *Robinson v. Cahill* in April 1973. The plaintiffs in Robinson followed a similar course to those in the Serrano case when they claimed that they had been discriminated against by the state according to the wealth of their school district, and sought relief via the Fourteenth Amendment as it would apply to the education clause in the New Jersey Constitution. The New Jersey Supreme Court found that while there were disparities in per-pupil expenditure, the differences in property wealth per pupil was not enough for the plaintiffs to be considered a suspect class. In fact, to say that disparities in funding are unconstitutional would be a strike against the "rudimentary scheme of local government" (*Robinson v. Cahill*, 1973). Additionally the court found that even though the New Jersey Constitution specifically mentions education it was still not considered a fundamental right, deferring instead to the

definition of fundamental rights opined by the majority of the United States Supreme Court in the *Rodriguez* decision (*Robinson v. Cahill*, 1973).

The New Jersey Supreme Court did, however, unanimously declare the method of funding schools in the state unconstitutional based upon the education clause which required the state to establish a "thorough and efficient" system of public education. The court ruled that any system with the wide disparities in expenditures could not possibly meet the definition of a "thorough and efficient" system. In order to reach this conclusion the court took a very careful look at the notes of the State Superintendent of Education from the 1870's as well as the drafts of the education clause that were debated when the New Jersey Constitution was amended, noting that:

> A state school tax is preferable to a local school tax… because it is more just, equal, and uniform… The 1871 statute embraced a statewide tax because it was found that local taxation could not be expected to yield equal educational opportunity. Since then the State has returned the tax burden to local school districts… There is no more evidence today than there was a hundred years ago that this approach will succeed. (*Robinson v. Cahill*, 1973)

The *Robinson* case was significant in that it came just a month after *Rodriguez*. The case preserved the momentum of the reformers seeking to modify school funding through litigation. The state legislature was ordered to craft a new system of funding schools, though it would take more than three years for the New Jersey Legislature to hammer out an appropriate bill to do so (Odden & Picus, 2004). While the results of *Robinson* were similar to those in Serrano, the second significant development in this

case is the method in which the plaintiffs won. In *Robinson*, the Court acknowledged the validity of the challenge on the basis of the language of the state's education clause in its constitution. The clause, along with supporting documentation as to the rationale and spirit of the language, was the focal point of the debate. The result would be a shift in litigation tactics on the part of those filing suits against public school funding methods away from using the equal protection clause of the Fourteenth Amendment, pursuing instead challenges to the language of state constitutions and how they reference the execution of the educational system.

Another critical "second wave" case took place in Texas, where school finance reformers were successful in litigation in state courts where they had previously failed at the federal level in *Rodriguez*. In 1984 a series of litigation began with the suit *Edgewood Independent School District v. Bynum*. The reformers won their case in the trial court, and suffered defeat in the appeal. The Supreme Court of Texas ruled on the case *Edgewood Independent School District v. Kirby* in 1989 in favor of the reformers based upon the language of the Texas Constitution.

In Texas, during the 1985-86 school year, the Texas Supreme Court noted large disparities in the abilities of school districts to raise revenues due to large variations in property wealth from one district to the next. The court noted that the wealthiest district had over $14,000,000 of property wealth per student, while the poorest had only $20,000; a 700 to 1 ratio. The 300,000 students (representing 10% of the total student population in the state) in the lowest wealth schools had less than 3% of the state's property tax wealth as a base, while the 300,000 students in the wealthiest districts had more than 25% of the state's property tax wealth funding their schools. Edgewood I.S.D. had $38,854 in

property wealth per student, while the Alamo Heights district in the same county had $570,109 in property wealth per student (*Edgewood Independent School District v. Kirby*, 1989).

The Court noted that the large differences in taxable wealth per pupil resulted in large differences in expenditures, regardless of the level of tax effort from the individual districts. The 100 poorest school districts in Texas in 1986 had an average tax rate of 74.5 cents per $100 assessed valuation and spent an average of $2,978 per student, while the 100 wealthiest districts had an average tax rate of 47 cents per $100 assessed valuation and spent an average of $7,233 per student. Highland Park Independent School District taxed at just 35.16 cents and spent $4,836 per student, while Wilmer-Hutchins Independent School District taxed its property at $1.05 and spent $3,513 per student A person owning an $80,000 home with no homestead exemption in the East Texas district of Leveretts Chapel would pay $1,206 in taxes to the schools per year, while the same home in the West Texas district of Iraan-Sheffield would only have a school tax bill of $59 per year (*Edgewood Independent School District v. Kirby*, 1989).

The large disparities in per-pupil expenditure that existed between communities was noted by the Court. They cited as an example the San Elizario I.S.D. that did not have foreign language, pre-school, programs, chemistry, physics, calculus, and no college preparatory or honors program. Additionally, the district had virtually no extra-curricular activities such as band, debate, or football. In general the Court noted that higher-wealth districts had broader curricula, more up-to-date equipment, better libraries, more teacher's aides and counseling services, better facilities, and lower student to teacher ratios than their lower-wealth counterparts (*Edgewood Independent School District v.*

Kirby, 1989). The Court also noted the impact that the tax structure had on the development of the property-poor communities. The higher-wealth school districts became property tax havens, providing broader and richer educational services to their residents with a smaller tax burden. Development favored the property-rich districts as the businesses and homeowners would have a substantial savings when building in these areas. Said the Court:

> Property-poor districts are trapped in a cycle of poverty from which there is no opportunity to free themselves. Because of their inadequate tax base, they must tax at significantly higher rates in order to meet minimum requirements for accreditation; yet their educational programs are typically inferior. The location of new industry and development is strongly influenced by tax rates and the quality of local schools. Thus, the property-poor districts with their high tax rates and inferior schools are unable to attract new industry or development and so have little opportunity to improve their tax base. (*Edgewood Independent School District v. Kirby*, 1989)

The trial court found that the facts of this case were grounds to declare the method of funding schools in Texas as unconstitutional according to Article VII, section 1 of the Texas Constitution, which requires the State to, "make suitable provision for the support and maintenance of an efficient system of public free schools" (*Edgewood Independent School District v. Kirby*, 1989). The appeals court disagreed with the trial court, ruling that the "efficient" clause of the Texas Constitution is too vague and the funding of school systems of the state too complex to be addressed by judicial mandate. The court of

appeals stated that the issue was “essentially a political question not suitable for the judicial review” (*Edgewood Independent School District v. Kirby,* 1989).

The Texas Supreme Court admonished the appellate court in its ruling, stating that the legislature did have the duty to establish and provide for public free schools, but did not have exclusive discretion over how it would be done. The Court conceded that the terms of “suitable” and “efficient” were not as precise as one would hope for, but also asserted that the Court must fulfill its own duty to measure the constitutionality of the legislature’s actions when called to do so. The majority opinion of the Court first set out to define the term “efficient” in the context of the framers of the Texas Constitution in the same way that the justices in *Robinson* took a historical approach. Their conclusion was that “efficient” was meant to be simple and uniform.

The Court reasoned that in 1876 when the Texas Constitution was ratified that the burden of supporting schools was uniform across the state. The school monies were allotted on a per capita basis to school districts, and there were no large differences in wealth from one area to another. The tax system and revenue distribution methods were simple. The Court reasoned that the framers had not designed the system to keep up with the uneven growth of wealth in each district. The Texas Constitution, when ratified in 1876, provided a uniform method of taxation and spending. The current system, they asserted, was filled with disparities and the current situation was nothing like what they had intended. While the local conditions have been subject to variation as a result of growth and change, they ruled that the state-imposed responsibility for an efficient education system is one thing that had not changed over the last century.

The Court in its ruling did acknowledge the attempts of the legislature over the years to equalize revenues for school districts. The Court in its ruling simply stated that enough had not been done over the years to keep up with the changing economic conditions. They reminded the legislature in the majority opinion written by Texas Supreme Court Justice Mauzy that funding for education is required by constitutional mandate. The funds for education, specifically to provide equal opportunities across the state, should not be done only "if funds are left over" (*Edgewood Independent School District v. Kirby*, 1989). The Court continues to state, "We recognize that there are and always will be strong public interests competing for state funds. However, the legislature's responsibility to support public education is different because it is constitutionally imposed" (*Edgewood Independent School District v. Kirby*, 1989).

The opinion of the Court in *Edgewood* is particularly significant in that it addressed not only the uneven expenditures of school districts, but also the lopsided tax burden placed on residents in certain areas and the resulting differences in development. "Second wave" litigation in other states would yield similar results as in Edgewood when the disparities between school districts were so large as to create schools that were unable to provide any more than a rudimentary education in spite of having a heavy property tax burden while neighboring schools had the resources to easily sustain broad-reaching support and extra-curricular programs. Very similar rulings would come from Supreme Courts in Vermont, Wyoming, Montana, Arkansas, and others (*Brigham v. Vermont*, 1997; *Washakie County Sch. Dist. No. 1 v. Herschler*, 1980; *Helena Elementary School District No. 1 v. Montana*, 1989; *Dupree v. Alma Schl. Dist. No. 30*, 1983). In almost every case the courts would look at the findings of courts in other states before making

their decisions, though the grounds for each ruling would change from state to state since "each state's constitutional evolution is unique" (*Brigham v. Vermont*, 1997). In general the rulings did not require an absolute equality in funding for education, but simply rejected any systems "which makes the quality of a child's education a function of district wealth" (*Washakie County Sch. Dist. No. 1 v. Herschler*, 1980). Most second wave decisions in favor of the plaintiffs were based on the application of the 14th amendment to each state's constitutional education clause where courts held the school finance legislation in place to the strict scrutiny standard citing a compelling state interest. By the year 1990, 10 states had their funding systems declared unconstitutional in litigation challenging the inequity of funding with respect to their state constitutions (Franklin & Hickrod, 1990).

While quite a few second wave suits resulted in the overturning of school funding methods, many more failed in their attempt to do so. By 1990, 14 states had judicial challenges to their methods of school funding dismissed and the present systems were declared constitutional by state courts (Franklin & Hickrod, 1990). In each of the 14 cases where funding methods were declared constitutional prior to 1990, the majority opinion of the court held the legislation regarding the funding of public schools to a lower standard of judicial review than the 10 cases in which plaintiffs were successful in reforming school finance legislation through injunctive relief (Brimley & Garfield, 2005). Courts in these 14 states simply held school finance legislation to a reasonable standard of scrutiny known as the rational basis test where states needed only to demonstrate a rational, non-discriminatory reason for the action taken.

In Oregon in 1976 the State Supreme Court ruled against the plaintiffs in a case that is often cited in other subsequent rulings on school finance legislation. Parents in a property poor school district brought a suit against the State of Oregon arguing that the system of public school financing relied so much on local taxation that variations in property wealth across the state led to unequal educational opportunities for the state's children. They cited the state constitution which called for a "uniform and general system" of schools (*Olsen v. State*, 1976).

The State of Oregon in 1972-73 provided 16 percent of the revenues for public school districts, raised mostly through income taxes. Local revenue sources including property taxes supplied 78 percent of the revenue for school districts, with the federal government picking up the remainder. As was the case in other states at the time, there were large disparities in property wealth per student in Oregon. The wealthiest unified school district in Oregon had $203,000 in taxable property per pupil, while the poorest had only $19,000. The large disparity in local property wealth at the extremes, a heavy reliance on local property taxes for school funding, and the uneven distribution and taxation of timber resources throughout Oregon did create some rather large differences between school districts in per-pupil expenditure. The tax rate in school districts with less property value per pupil was generally higher than the wealthier districts, as was the case in many other states at that time (*Olsen v. State*, 1976).

The plaintiffs challenged the school funding mechanisms in Oregon on the grounds that it violated the equal protection clause of the Oregon Constitution. The plaintiffs asserted that the mandate for school uniformity was constitutional. The Oregon Supreme Court in *Olsen* did not go so far as to say that everything in the Oregon

Constitution is a fundamental interest guaranteed by the constitution since Oregon's Constitution tends to incorporate a great deal of ordinary legislation into it (e.g. – the right to sell and serve intoxicating liquor). Since education was determined by the Court to not be a fundamental interest, they used the weaker rational basis or balancing test to determine the constitutionality of the financing scheme.

The court looked first to determine the detriment done to the educational system by the current method of school financing. The court found that "the present financing system does not totally deprive the students of the poorest district in Oregon of an education or of some of the tools and programs believed to enhance education" (*Olsen v. State*, 1976). The court acknowledged differences between districts in pupil to teacher ratio, curricular programs, staffing, physical plant, and drop-out rates, but stopped short of saying that the differences were so great as to deprive students of the basic right to an education. For the second part of the test the Court had to determine what objective the government had in enacting the current legislation. The only objective the Court could cite for the current system in Oregon and other states was that it allowed for the local control of schools. The plaintiffs conceded that local control of schools was desirable, but argued that the financial burdens placed poorer school districts did not give them any real control or options with regards to finance. The Oregon Supreme Court did admit that poorer districts had less fiscal control, but did say that they had some control. The Court concluded that different degrees of control or discretion in spending did not constitute a violation of the Equal Protection Clause (*Olsen v. State*, 1976).

The plaintiffs in *Olsen* also debated the meaning of the Article VIII of the Oregon Constitution that states, "The Legislative Assembly shall provide by law for the

establishment of a uniform and general system of common schools" (*Olsen v. State*, 1976). The plaintiffs interpreted the clause to mean that the amount of revenue available to all children in the state should be uniform in order for the system of school financing to pass constitutional muster. The Oregon Supreme Court did not agree with the plaintiffs, citing local control and differences in other parts of the educational process including programs and physical facilities. Finances, the Court reasoned, were subject to local discretion in the same way that curriculum and programs are, and there can be no logical difference made for this one area. The Court concluded by saying that if the State requires and provides for what is considered to be minimum educational opportunities, the local districts may add to those opportunities at their own discretion (*Olsen v. State*, 1976). The defeat of the plaintiffs in *Olsen* was the one of the first of several cases where reformers failed at the State Supreme Court level. Most opinions in these cases reflected the same sentiments as those in *Olsen.*

An Illinois case from 1996 stands out from the rest of the litigation in regards to the decision of the court. The suit was filed by the Committee for Educational Rights, a group of more than 60 school districts, and joined by several individuals and their parents. The plaintiffs brought a suit against Governor Jim Edgar, the State Board of Education, and the State Superintendent of Education in order to procure a judgment that the methods of funding public schools violated the State Constitution of 1970. The position of the plaintiffs was much the same as those in *Edgewood*; they believed that the clause in Section I Article X of the Illinois Constitution that required the state to provide "an efficient system of high quality public education" was violated by the large disparity in educational resources available to school districts. These differences in available

resources were attributed to the large differences in property wealth in each district and the reliance on local property taxes for the majority of school district revenue (*Committee for Educational Rights v. Edgar*, 1996).

In the majority opinion Justice Nickels referenced prior litigation in other states and their attempts to define "efficient" as it appeared in their education clauses, and noted that each Court attempted to ascertain the intent of the framers of the State Constitutions. Additionally, the meaning of the term "high quality" as it was written was also questioned. As done in Edgewood and other litigation, the Justices consulted the notes and committee reports from the 1970 Illinois Constitutional Convention to consider the history underlying the education article and the intent of those who framed it. The Court noted that the efficiency clause was specifically referenced to address boundary disputes between districts in the past, citing an exchange on the issue between delegates (*Committee for Educational Rights v. Edgar*, 1996).

The Court also noted the fact that educational funding was a topic of significant heated debate during the convention. The education committee submitted a proposal to the convention that was designed to reduce disparities by limiting local contributions to 10% of the contribution from the General Assembly. This proposal was defeated, as was an alternate proposal from one of the delegates that was a watered-down version of the original. Delegate Netsch offered an amendment, accepted by the convention, which stated the primary responsibility of funding education belonged to the State. The Illinois Supreme Court interpreted this statement as one of principle, not as a command to the legislature. Plaintiff's assertions that the discussion of equity of finances during the crafting of the education article was a reflection of their intent were rejected by the Court,

which stated that the expression of concern in the record does not constitute an enforceable constitutional guarantee (*Committee for Educational Rights v. Edgar*, 1996).

The question of what defines a "high quality" education was one the Illinois Supreme Court struggled with, however. The majority opinion of the Court stated that the judicial branch of government was not equipped to answer the question of what constitutes a high quality education. The Court acknowledged that while the 1870 Illinois State Constitution referenced the General Assembly as having the authority over and duty to establish schools, that the 1970 Constitution placed that duty on the State. The plaintiffs argued that implied in this new language is the extension of authority over schools to both the executive and judicial branch for review. The Court ruled that the change of a few words did not redefine the roles of each branch of government, and that the courts could not legislate any more after 1970 as they had prior to it (*Committee for Educational Rights v. Edgar*, 1996). The Court noted in their decision that they were aware that other state courts with similar constitutional language had taken a different approach to the law and had passed judgment on the quality or appropriateness of educational quality in their states. The majority in this case disagreed with the conclusions drawn by the other states majority opinions and cited the dissenting opinions of Justice Rosellini in *Seattle School District No. 1 v. State* and Justice Neely in *Pauley v. Kelly* that policy decisions are not the function of the judiciary but rather one of the legislature (*Committee for Educational Rights v. Edgar*, 1996).

The decision in *Committee* is not unique among the second wave cases in that it did not declare the system of school financing in Illinois unconstitutional; in fact, it is in the majority. What sets this decision apart from the others is the fact that the Supreme

Court of Illinois did not care to take up the question of the constitutionality of the statute since it was a matter of public policy. The Court did apply the rational basis test to the statutes regarding school funding and concluded that the system was rationally related to preserving and promoting the local control of school districts, and subsequently dismissed the equal protection part of the suit. The unique conclusion of the Court was that they did not feel that the language regarding public education in the Illinois Constitution of 1970 could be appropriately interpreted by the judiciary, and stated that "the process of reform must be undertaken in a legislative forum rather than in the courts" (*Committee for Educational Rights v. Edgar*, 1996). Justice Freeman in his dissent rebukes this assertion, stating:

> The majority fears "legislating" in the field of public education… Out of fear of entering a "political thicket," the majority completely abdicates its constitutional duty to interpret the Illinois Constitution. The doctrine at issue here is one of political questions, not political cases. The courts cannot reject as "no law suit" a bona fide controversy as to whether some action denominated 'political' exceeds constitutional authority. (*Committee for Educational Rights v. Edgar*, 1996)

In the 24 State Supreme Court rulings between 1971 and 1990 that may be classified as second wave cases, the specific language of the education clauses in state constitutions does not differ significantly. The significant difference in whether or not the plaintiffs were successful comes down to the court's application of the equal protection to the education clause (Franklin & Hickrod, 1990). When a state court does not affirm education as a fundamental right according to the state's own constitution the plaintiffs generally do not receive injunctive relief from the courts. Additionally, the education

clause must be specific in its demands of the legislature and in the structure of the school finance system in order for challenges to constitutionality to stand up to judicial scrutiny. When constitutional language is vague or indifferent with respect to education as a right, challenges based solely on inequity have mixed results at best in the courts.

The Third Wave of Litigation Concerning School Funding Systems- Challenging the Adequacy of School Finance

Successful litigation began to emerge in states with vague constitutional language when the conditions were such that the educational quality was too poor in some areas to meet the standards set forth by the state. These cases form the third wave of challenges to methods of school funding that center around the failure of states to provide an adequate minimum education to all students. These cases were able to evolve as state standards for education became more comprehensive in the 1980's and 1990's. Plaintiffs attacked the educational experiences provided and outcomes rather than disparities in monetary resources. The perspective from which funding was viewed began to change; states which had defined what they desired students to know would have to fund a system appropriately in order to generate the desired result (Dawn-Fisher, 2006).

Widely regarded as laying the foundation for the third wave of school finance litigation was the 1979 case *Pauley v. Kelly*. Parents and students in West Virginia filed suit against the state treasurer, an auditor, a board of education, and the state superintendent of schools alleging that the method of school funding denied them a thorough and efficient education as required by the Constitution of West Virginia. The evidence presented by the plaintiffs was similar to that presented in much of the second

wave cases, and took a second wave approach. The plaintiffs produced evidence to show that property-poor school districts had lower quality curricula, facilities, and other services than their more affluent counterparts. The circuit court acknowledged the plaintiffs evidence, noting that the physical plants in some school districts were so inadequate as to be dangerous to students health and welfare, test scores and drop-out rates were significantly worse in poorer school districts, and that some of the poorer county school districts were unable to meet minimum criteria set forth in the West Virginia Standards for Classification of Secondary Schools (*Pauley v. Kelly*, 1979). The circuit court found in favor of the plaintiffs, and the court of appeals overturned the circuit court's decision.

The West Virginia Supreme Court began by evaluating the meaning of their education clause in their state constitution before determining the constitutionality of the school finance system, just as other state courts at that time had done. The "thorough and efficient" language common to other state constitutions existed in West Virginia as well, and the court evaluated the meaning in the context of West Virginia history and as interpreted in other states that had experienced legal challenges. The court determined that the meaning of the clause was sufficiently vague as to make it difficult to render a judgment (*Pauley v. Kelly,* 1979). To this point the *Pauley* case is a typical second wave case with regard to the position of the plaintiff and defendant, as well as the court's process of reasoning.

What makes *Pauley* unique was their conclusion regarding the education clause. The majority opinion concluded:

> On the record before us, we choose to make no definitive judgment on (the thorough and efficient clause). The trial court was unable to make any judgment either, because it lacked any suitable standards to set the core values of a thorough and efficient educational system… when we talk of setting standards for a thorough and efficient education system, we recognize that expert testimony will be needed… the Thorough and Efficient Clause requires the development of certain high quality educational standards, and that it is in part by these quality standards that the existing educational system must be tested. (*Pauley v. Kelly*, 1979)

The West Virginia Supreme Court remanded the case back to the trial court with the directive requiring the legislative development of educational standards and declared the method of school funding unconstitutional. The West Virginia Supreme Court in its reasoning stated that the conditions in some schools were so poor that they would fail almost any standard that could be developed on the remand (*Pauley v. Kelly,* 1979). The *Pauley* case then was the first to hold educational finance systems accountable to a set of standards defined by educational outputs, rather than philosophical arguments about the equity of inputs. The standards-based approach of measuring constitutionality would be much more transparent and easier to defend than haggling over the meaning of vague phrases in state constitutions and attempting to ascertain the framers intent when the language was developed.

Ten years after the decision in *Pauley*, the Kentucky Supreme Court ruled on what is widely considered the case that launched third wave legislation. In *Rose v. Council for Better Education* in 1989 the court considered whether the Kentucky General

Assembly had enacted legislation that complied with the constitutional mandate to "provide an efficient system of common schools throughout the state" (*Rose v. Council for Better Education*, 1989). The court, in its majority opinion, opened by quoting the *Brown* decision regarding the importance of education as a state function. They declared that their interpretation of the Kentucky State Constitution makes education a fundamental right. They noted in the evidence that in spite of the foundation and equalization programs that existed at the state level that there were wide variations in the financial resources of school districts. These differences were evident in the curricula offered in these richer and poorer districts. The facts continue to note that achievement across the state of Kentucky is below the national average. Witnesses testified that not only were the poor schools underperforming, but the entirety of the schools in the state was providing an inadequate education as judged by performance relative to national standards.

In researching its own state constitution, the Kentucky Supreme Court noted the intent of the delegates to provide an education for rich and poor alike, with all children on one level and "the only superiority is that of the mind" (*Rose v. Council for Better Education*, 1989). Based their research and the language in the Education Clause the court ruled that the General Assembly has the constitutional duty to provide a system of schools that is uniform and equal in all respects including financing and that the judiciary has the responsibility serve as a check on the activities of the General Assembly should they fail to do so. The court further defined what it considered to be a "thorough and efficient education", noting the *Pauley* decision and the advice of experts, and determined the elements necessary to pass any constitutional test include: 1) the sole responsibility of

the General Assembly; 2) schools shall be free to all; 3) an evenly spread tax effort; 4) uniform resources and opportunities throughout the state; 5) an adequate education throughout the state; 6) proper management of the educational system (*Rose v. Council for Better Education*, 1989).

Based on these standards and Section 183 of the Kentucky Constitution the Kentucky Supreme Court found the educational system in the state to be unconstitutional in its entirety. They were clear that their decision did not apply only to financing or any one part of the system, but to school construction and maintenance, teacher certification, and every other aspect of curriculum and instruction (*Rose v. Council for Better Education*, 1989). The court saw fit in *Rose* to "throw out the baby with the bath water" and attack the entire system because the quality of education was such that even the best funded schools in the state failed to produce satisfactory student outcomes when compared to national norms and standards.

The Ohio Supreme Court came to a similar conclusion in 1997 in *Derolph v. State of Ohio*. The facts in Derolph showed severe defects in the physical plants in many schools across the state including environmental hazards such as asbestos and deteriorating conditions including the sliding of buildings off of their foundations. Equally lacking in some districts were resources necessary for education including textbooks, chalk, paper, and even toilet paper. Class sizes in many districts approached 40 pupils per teacher. The court concluded that many poorer schools were "starved for funds" and that the General Assembly had failed to provide a thorough and efficient educational system (*Derolph v. State of Ohio*, 1997).

The court did acknowledge that disparities in funding may still exist between school districts in a good system of school financing, and was clear that it did not advocate a "Robin Hood" method of improving funding for some schools by taking away from others. It also recognized that money alone would not solve all of the problems present in Ohio schools and transform all students into high achievers. The court did say, however, that at the time Ohio did not provide many of its students with even the most basic of needs, and should not turn its back on these students in the name of a "local control" philosophy. Like the Kentucky Supreme Court, the ruling in *Derolph* found the funding mechanisms to be incapable of meeting the constitutional mandate and required a "complete systematic overhaul" (*Derolph v. State of Ohio*, 1997).

The emphasis on conditions and student performance data in combination with school finances is what defines third wave legislation. In the age of performance standards following *A Nation at Risk*, the output side of education became very important to the public. Attention in the school finance arena shifted from making the system fair to making it work, and focusing on spending what is needed, not on making spending equal (Minorini & Sugarman, 1999; Dawn-Fisher, 2006). Reformers in Illinois saw the success of this type of litigation in other states and challenged the system a third time, using the third wave approach.

In 1999 the Supreme Court ruled on *Lewis v. Spagnolo*, a case where plaintiffs from the school district of East St. Louis No. 189 sued the State Superintendent for Education. The plaintiffs claimed similar physical plant issues as those that existed in Derolph; fire hazards, chronic flooding, faulty plumbing and heating systems, and unsanitary conditions in restrooms and cafeterias. The plaintiffs sought relief via the

Education Article of the Illinois Constitiution of 1970 claiming a due-process right to a safe environment and stated the current environment composed a state imposed danger (*Lewis v. Spagnolo,* 1999).

The Illinois Supreme Court's majority opinion in *Lewis* was very similar to its opinion in *Committee for Educational Rights v. Edgar*. The courts did not want to or feel it was appropriate to define what constituted a 'high quality public education" for the state, referring to its previous decision in Committee for Educational Rights when the court stated that such decisions were for the legislature, not the courts, to decide. Furthermore, the court did not want to even submit that they thought would be a "minimally adequate education" as sought for by the plaintiffs. The court did recognize the requirements put on the Illinois General Assembly by the state constitution, but was of the opinion that the restrictions put on the legislature by the constitution were "not among those held generally capable of judicial enforcement" (*Lewis v. Spagnolo,* 1999). The court did not feel that either the Illinois Constitution or United States Constitution's due process clauses had been violated, and that no state-created danger could be shown since no one had been injured. The dissenting opinion written by Chief Justice Freeman did not agree with the manner in which the Illinois Supreme Court simply dropped the case ruling it nonjusticiable. Justice Freeman agreed that the plaintiffs were not asking the courts to enter the arena of public school policy, but rather "do its job and interpret the Illinois Constitution" (*Lewis v. Spagnolo,* 1999).

Adequacy and Equity: Do Differences in Inputs Create Differences in Education?

As the third wave of litigation progressed through the courts the natural question educational researchers had to answer was what constituted an adequate education and how much in the way of resources would be needed to achieve it. The idea of researching inputs and determining what outputs they generated began with the Coleman Report in 1966. The Coleman report showed differences in performance on a verbal skills exam that demonstrated a correlation with race, pupil to teacher ratio, and the types of facilities provided to students, but showed an even stronger correlation between family background and performance (Coleman et al., 1966). This research, after correcting for the family background variable, was touted by some as evidence that the types of facilities and finance did not matter in student achievement; that "money doesn't matter" and that a student's success in school would be determined by their situation in the home (Grubb, 2009).

Research would continue across the country on small and large scales over the course of the 1970's and 1980's about the role of finance in education and how much money impacts student achievement. The research techniques used by Coleman in his analysis would be implemented by educational researchers as they applied tests to finance systems in counties, states, and even from state to state. The method of analysis drew upon a production function framework first developed in the field of economics to describe the relationship between inputs and outputs in manufacturing (National Research Council, 1999). Much of the research conducted was quasi-experimental, using existing variations in school conditions as independent variables and standardized test results as dependent variables, rather than using control and experimental groups as is done in other

fields of study. The reason for the lack of experimental educational research is due to the fact that many parents are reluctant to engage their children in research where children are randomly selected to receive special treatment in comparison to other students (Lianides, 2006). In the 30 years after the Coleman report was published hundreds of input-output studies were conducted looking at a wide variety of input variables and measuring student performance in different ways (National Research Council, 1999). Due to the variations in school finance between states and regions and differing methods of assessment, the results of these studies often made generalization of the results to other regions or groups of students impossible.

Beginning in the 1980's, educational researchers began to look at the body of research on school finance as a whole and conduct meta-analyses of studies from across the nation looking for statistically significant relationships between input and output variables. Eric Hanushek's *The Impact of Differential Expenditures of School Performance*, published in 1989, took into consideration 187 studies from different grade levels and regions across the United States. School inputs considered in these studies included teacher's characteristics (education level, years of experience, gender, race, etc.) and school characteristics (class sizes, facilities, administration, expenditures), and outputs were measured by performance on standardized tests, attendance rates, dropout rates, and student attitudes (Hanushek, 1989). Using regression analysis to sort through the data of each study, Hanushek found that teaching experience, class size, per-pupil expenditure, and other input variables were not systematically related to student performance. In the majority of the studies he analyzed the results were not statistically significant. For example, out of 113 studies that investigated the relationship between

teacher education and student achievement, only 13 were found to have statistically significant results. Of the 13 significant studies, eight demonstrated a positive relationship and five demonstrated a negative one. Hanushek suggests that the difference in school and district performance from one place to another are due in large part to the effectiveness of the teachers in the school and suggests that incentives may help schools increase their effectiveness (Hanushek, 1989).

The work of Hanushek came under fire shortly thereafter, most notably in a 1994 article in Educational Researcher by Larry Hedges, Richard Laine, & Rob Greenwald. In their article, *Does Money Matter? A Meta-Analysis of Studies of the Effects of Differential School Inputs on Student Outcomes,* Hedges et. al. dispute the statistical method in which Hanushek arrived at his conclusions. Hanushek stated that there was no strong or systematic relationship between the input variables and student performance, but Hedges et. al. found that the results of the studies do not support a null hypothesis. They contend that if no relationship exists between any two variables that 50% of the studies would show a positive correlation and 50% would show a negative correlation. Additionally, only five percent of the studies should show any statistical significance. Hedges et. al. point out that in the case of per pupil expenditure, 70% of the studies showed a positive correlation and that 30% of the studies were statistically significant; numbers that are too large to be a result of chance. The other remaining variables all demonstrated similar positive correlation trends, significant at rates up to 7 times those possible by chance, with the exception of the variable of facilities (Hedges, Laine, & Greenwald, 1994).

The data analysis argument went on among educational researchers during most of the 1990's. The relationship between variables such as class size, teacher experience, and per-pupil expenditure in comparison with student achievement was weak and inconsistent in the research about school finance. According to Grubb, "Despite the faith of every educator, every parent, every resident of a high-spending district, and every policymaker that money matters and that certain resources (class size, teacher quality) also matter, evidence has been hard to come by" (Grubb, 2009, p. 7). A resolution to the debate was still a few more years away.

In addition to the work in scholarly circles, the debate about school funding and equity extended to political and popular circles as well. Case study works such as Jonathan Kozol's *Savage Inequalities* in 1992 brought to light some of the most tragic examples of school underfunding and neglect in Illinois, New York, New Jersey, California, and Texas. In 1994, shortly after passing Goals 2000, the United States Congress called for a study on education finance by the National Academy of Sciences when it passed Public Law 103-333. In response to the request from Congress, the National Research Council established the Committee on Education Finance to carry out the study. The Committee consisted of 18 members, most of whom were well known and respected educational researchers, and had a staff of 7 research assistants and consultants. The Committee's work culminated in the 1999 publication, *Making Money Matter* (National Research Council, 1999).

The Committee found that balancing competing interests in the equity of opportunity in public schools is difficult given the way schools have evolved in the United States as decentralized units. Most Americans believe that every child should

receive a good public school education, but also support systems that allow those affluent citizens to concentrate in areas with "good" schools, leaving higher concentrations of poor and disadvantaged students in other areas, usually urban ones. The Committee concluded that progress in funding adequacy and tax fairness would only happen when states take an expanded role in raising revenue and move away from the property tax. They go on to say that the property tax is unfair due to its regressive nature- individuals with lower incomes pay a higher percentage of their earnings in property taxes than those with higher incomes (National Research Council, 1999).

The Committee, in its review of education finance literature, concluded that money spent does matter in public education. They do clearly state, however, that additional funding for education will not automatically generate greater student achievement. They charge educators and educational researchers to make money matter more, by improving productivity through the use of best practice, but admit that at that time there were no easy solutions or single problem to tackle. They encouraged research and experimentation, with both quasi-experimental and true experiments with students assigned to control and experimental groups, for more meaningful data collection. Members of the committee encouraged research into vouchers, teacher incentives for student performance, and building the professional capacity of teachers (National Research Council, 1999). While the Committee's final product was far from a prescription for successful school finance reform, it did shift the debate about school finance from, "does money matter?" to, "in what ways and in what situations does money matter?" or, "what resources can we invest in to improve student achievement?".

Research over the last 10 years has started to show promising ways in which money can be well spent to improve student achievement. Archibald cites as an example data from Washoe County, Nevada, a district with over 60,000 students. In 2000 the district implemented a Danielson model of standards-based teacher evaluation, and in the 2002-2003 school year Archibald compared student improvements on exams from pretests and posttests to the teacher's score on the teacher evaluation. Not surprisingly, Archibald found a strong positive correlation between the teacher's evaluation score and student achievement. Additionally there was a strong correlation between per-pupil expenditure and student achievement in reading at the school level, resulting from increased spending on literacy instruction during that school year. The study conducted by Archibald had similar results to studies conducted by the Consortium for Policy Research in Education out of the University of Wisconsin-Madison (Archibald, 2006).

Eric Hanushek agreed with Archibald's assessment of teacher quality as the "most significant school factor that systematically affects student achievement" (Hanushek, 2006, p. 2). In testimony before the Texas State Senate, Hanushek stated that his research in Texas showed that a disadvantaged student having a good rather than average teacher for three to four years in a row would make such gains as to more than make up for the disadvantage from the family. In his statements he advocated for systems of incentives for high performance for both teachers and administrators to improve performance. He cited research that showed that requiring higher certification standards or more professional development did little to improve teacher quality, and stated that incentives provide a "fairness aspect" to both the teacher and the student. He did warn that little

research on implementation of incentive pay existed, and that developing the incentive program would be a process that would take time and refinement (Hanushek, 2006).

In the last decade funds provided for equalization or school improvement from states to school districts have taken a variety of forms. In 2007 Governor Crist in Florida earmarked additional funds for schools, but targeted performance pay for teachers. Governor Eliot Spitzer in New York began in 2006 to infuse money into the school districts with the lowest achievement in order to boost scores but limited the spending of such funds to an "approved menu" of options tied to improving student achievement (McNeil, 2007). Both of these states seem to have spending plans that reflect current educational research.

Not all states have been as demanding with new educational funds. In Illinois in 2007, Governor Blagojevich proposed increasing school spending by increasing the foundation level, allowing monies to be used for any operating expenses. In Arkansas in 2004 legislators increased school funding based on research recommending that the state provide more funds for professional development, reducing class size, and for tutors for at-risk students. The legislation that passed, however, did not require that it be spent on these items, and many schools added electives, administrators, and student activities rather than its intended purposes (McNeil, 2007).

The view among educational researchers now is that resource allocation in the support of instruction is an art rather than a science, and that best practices will continue to evolve over the coming years. It is important that state legislatures as well as individual school districts view revenue as a resource for the improvement of student

achievement. Money well spent is money that matters, and converting revenues into resources that matter is a challenge. Much of the educational finance research up to 1999 focused on simple resources such as funds and treated the schools as though what they did in the classrooms and with curriculum did not matter. This "black box" treatment has been viewed by many researchers as a gross oversimplification of what is necessary to have a successful school (Hanushek, 1989; National Research Council, 1999; Grubb, 2009). Since then the "how" has become the focus, and not the "what" when it comes to educational resources.

Money may be a necessary resource to improve student achievement, but it is not sufficient on its own. Many of the key ingredients to school improvement are not simply acquired and cannot be bought. Grubb (2009) refers to resources that are simple, compound, complex, and abstract. Simple resources can be paid for with money directly, including the hiring of additional staff or the purchase of technology or curriculum. A compound resource is the combination of two simple resources, such as the funds to purchase technology and the professional development necessary to implement it successfully into the classroom. Complex resources cannot be easily bought, and include strong leadership and the improvement of instruction through classroom observation and effective feedback (Grubb, 2009). Abstract resources are hard to detect and measure, and their relationship to funding is uncertain. They include school climate, trust, as well as the stability of staff, administration, curriculum, and policy (Grubb, 2009). Simply put, Grubb asserts that the infusion of new funds into school districts would result in the greatest improvement in student achievement when the funds are directed toward the acquisition of whatever resources the district needs, whether they are simple, compound,

complex, or abstract. The responsibility for the management of school resources is a shared one with local school officials and the state. Both the state and individual school district must direct resources with the emphasis on instruction (Grubb, 2009).

Research from the Coleman report and countless other studies over the last 40 years confirm results that showed student characteristics, including unstable family conditions, gang presence, students from one parent families, and students with special educational needs influence school resources negatively. Schools serving these populations are classified by Grubb and others as “high-need”, and require additional resources to overcome the negative effects of the student characteristics that impact school climate, efficacy, and attendance (Grubb, 2009). While so many efforts in the courts pursued equity, the type of equity they pursued was horizontal; that is to say that the efforts were intended to treat students equally. Horizontal equity within a state can be measured in many different ways and will be demonstrated in the case of Illinois in the next section. Many educators would agree, however, that students with special circumstances require different levels of resources, and that students with similar characteristics should be treated in the same way. This is known as vertical equity, or the appropriate unequal treatment of unequals (Vesely, 2005).

States, as well as the federal government, generally use categorical grants for low income students and students with special needs in an effort to increase vertical equity. Many researchers would encourage states to create a needs-based weighted pupil funding formula to ensure that districts receive appropriate levels of revenue (Odden, 2004). It has been suggested that children enrolled in special education programs have an additional cost to districts of 90% (Chambers & Parrish, 2004). Students classified as

limited English proficient may cost an additional 35% to 100% per pupil, and the added costs for students from low income families can range from 25% to over 100% of per-pupil expenditure when compared to their more-advantaged peers (Verstegen & Driscoll, 2009). While the calculation of horizontal equity can be done using a variety of methods, vertical equity is more difficult to measure (Vesely, 2005).

What is the History and Status of School Funding in Illinois?

In the 1920's, educators and legislators in Illinois began to recognize the financial disparities between school districts throughout the state which up and to that point did not provide any sort of a method for the equalization of school funds. In 1927, the State enacted a Strayer-Haig method of equalization, where a minimum per-pupil expenditure would be established and the local property tax rate minimum would be set at the rate necessary to achieve the minimum expenditure in the Illinois' most property rich district. All other districts in the state would receive funds from the state bringing their expenditure up to the minimum based on that tax rate. In 1927 the "foundation level", or minimum amount to be spent per pupil, was set at $34. School districts could levy property taxes in excess of the minimum rate if the voters in that district chose to do so (Illinois State Board of Education, 1977). This funding method persisted in Illinois until 1969, at which point the foundation level had risen to $520 per pupil in elementary and unit districts and $650 in high school districts, as measured by the districts weighted average daily attendance (Illinois State Board of Education, 1977).

In the early 1970's the State began to change the method of funding public schools with several piecemeal additions to the funding equations. Many of the additions

resulted from the language changes to the Illinois State Constitution after its ratification in 1970. First, the amount of state aid was increase by 8 percent by a "percentage add-on" to each districts state aid claim. The add-on was increased to 12 percent in 1971 and 19 percent in 1972 in an attempt to help aid poorer districts. Second, the "alternate method" was introduced, providing that if a district's state aid was less than $120 per pupil, the assessed valuation necessary to provide $120 per pupil was divided by the district's assessed valuation per pupil. When the calculation of the alternate formula reached the point that schools received little or nothing from the state, a third funding method took over. No district received less than $48 per pupil, known as the flat grant (Wortham, 1985). These three methods of funding schools; the Strayer-Haig model foundation formula, alternate method, and flat-grant, still exist in Illinois today. For the 2010 fiscal year the foundation level was $6,119, and strains to the State budget have forced kept the FY 2011 and FY 2012 foundation level at the same amount (Illinois State Board of Education, 2011). The minimum each district will receive via the flat grant is $218, which has remained the same since 1997 (Illinois State Board of Education, 2010). These methods of equalization, along with the proper maintenance of the foundation level, were designed to bring about greater levels of financial equity and tax fairness between school districts.

During the early 1970's the numbers used in the formation of finance formulas did have one interesting effect. Many small elementary and high school districts consolidated into unit districts since the state in effect penalized dual districts by their minimum tax thresholds. For example, in 1971 elementary and high school districts had to levy a minimum property tax of 0.90% to qualify for state aid. A resident in an area

with two separate school districts would then have a minimum tax of 1.80 percent levied to support dual districts. The unit district qualifying rate, however, was set at only 1.08% to receive state aid. The General Assembly heard the complaints from dual districts that did not consolidate, and adjusted the qualifying rate for elementary and secondary districts in 1974. Over time, the rates have fluctuated and the gap between unit and dual districts has closed, but unit districts are still offered a slight advantage. The qualifying rate for elementary districts is 2.30%, though it was only 1.95% in 1974 (Wortham, 1985). High school districts must levy 1.05%, yielding a total of 3.35% for dual districts, while unit districts need to have a minimum levy of 3.00% (Illinois State Board of Education, 2010).

From the 1970's until today the State of Illinois has not successfully sustained the ability to provide for the majority of school costs among its districts, with the bulk of school finance continuing to rely on local property taxes. The reforms of the early 1970's did help to create greater equity in school finance state-wide, but that was to be short lived. The equity in school finance in Illinois peaked in 1976, when the state provided over 48% of school revenue and local sources provided only 45%. During this year it was also statistically shown that per-pupil expenditure was only minimally related to the property wealth of the school districts; a concept known as wealth neutrality and measured by using regressions of property value vs. weighted average daily attendance (Illinois State Board of Education, 1982).

By 1979 the gains of the school finance reforms from 1971-1973 were lost. In 1983 the state percentage of funds expended by public schools had fallen below 40%, and local sources including property taxes made up more than 53% of school budgets state-

wide. The state's share of school funding continued to slip throughout the 1980's, and by 1990 property taxes and other local sources were responsible for over 62% of school district revenue (Illinois State Board of Education, 1990). It was perceived by many educators during the 1990's that revenues in many school districts had slipped to the point that they were not adequate to provide a satisfactory education. The Illinois General Assembly agreed, but sought data to determine how much would be required to provide an adequate education throughout the State. In 1997 the General Assembly passed Public Act 90-548 creating the Education Funding Advisory Board. Their charge was to determine in the most accurate way possible what the foundation level should be, and how school districts should receive other categorical funding including poverty grants (Educational Funding Advisory Board, 2002).

Advised by the consulting firm of Augenblick & Meyers, the EFAB submitted its first report to the General Assembly in October of 2002. Its first and most significant recommendation was that the foundation level for the 2003-2004 school year should be raised to $5,665, an increase of over a thousand dollars per pupil with a total state cost of almost two billion dollars. They also encouraged the counting of students receiving Medicaid or food-stamp assistance as a measure of poverty and provide schools with grants for the care of those students (Educational Funding Advisory Board, 2002). For long term funding stability the EFAB also recommended the consolidation of elementary and high school districts into unit districts, and the replacement of much of the property tax revenue that schools receive with revenue from an increased state income tax, sales tax, and estate tax (Educational Funding Advisory Board, 2002).

In spite of a significant effort during the early 2000's to increase state funding for public schools in Illinois, much of what the EFAB has recommended has fallen on deaf ears in the General Assembly. No progress has been made on the front of property tax relief, though recent efforts had created discussion about the proposed H.B. 750 that swapped property tax relief with an increase in sales and income taxes. By the 2006-2007 school year, the State of Illinois provided only 27.5% of the revenue for school districts, the lowest percentage of any state in the nation (*Rankings & Estimates*, 2007). This percentage has remained unchanged over the last few years (Illinois State Report Card, 2009).

Competing priorities in the state budget have also squeezed out the additional funds for general state aid called for by EFAB. In the 2003-2004 school year EFAB suggested a foundation level of $5,665; the foundation level was actually $4,810 that year (Educational Funding Advisory Board, 2005). In the years that followed the budget from Illinois State lawmakers has consistently fallen short of EFAB recommendations, with the gap increasing as time has progressed. In the 2005-2006 school year the EFAB foundation level recommendation was $6,405 per pupil, but the actual amount spent was $5,164; a difference of $1,241 (Verstegen & Driscoll, 2008). For the 2010-2011 school year the EFAB recommended the foundation level be set at $7,992, though Governor Quinn's budget only called for $5,669, a shortage of $2,323 per pupil. The cost of bumping up the foundation level to that which research shows would provide adequate educational funding for the 2010-2011 school year would have been almost three billion dollars; in the economic climate of the time even keeping the foundation level the same would be difficult (Education Funding Advisory Board, 2010).

In addition to general state aid and its corresponding funding formulas, Illinois also supplies revenue to school districts through the use of categorical funds which are targeted to the special needs of students and other programs. Some of the programs are mandated, while others are optional or partially optional, and the funds are generally disbursed quarterly (Fritts, 2004). For FY2012 categorical appropriations totaled nearly two billion dollars, and made up 26% of all funds distributed by the State of Illinois to school districts (Illinois State Board of Education, 2011).These categorical funds are often used to encourage the development of certain programs or for the delivery of particular services. Categorical funds are not necessarily distributed on the basis of need, and a small number of school districts with large amounts of property wealth may receive more categorical aid than general state aid (Fritts, 2004). For FY 2011 the state of Illinois provided categorical state aid for the following programs:

- Special Education Personnel
- Special Education Transportation
- Special Education Private Tuition
- Regular/Vocational Transportation
- Bilingual Education
- Orphanage Tuition – Regular and Special Education
- Illinois Free Lunch/Breakfast
- Early Childhood Education
- Career and Technical Education

(Illinois State Board of Education, 2011).

Categorical funding in the State of Illinois has also fallen short of the expectations of school districts in recent years as a result of the state fiscal crisis. For FY2010, small amounts of categorical funding for curricular programs were reduced or eliminated completely. Much of these cuts went to fund increases in other categorical funds in

FY2010, however, and overall the state's contribution to school districts through categorical funds rose somewhat, largely in the area of special education. Comparatively, the amount of general state aid distributed to districts that year remained static (Illinois State Board of Education, 2009).

For FY2011 the amount of funding distributed via categorical grants dropped nearly 8 percent. The majority of the funds cut came from the area of regular/vocational transportation, whose overall line item was reduced by over 40% (Illinois State Board of Education, 2010). In comparison, general state aid funds dipped down less than one percent statewide. FY2012 was even worse for public schools than FY2011; both general state aid and categorical grant fund expenditures dropped statewide by more than three percent. Transportation reimbursement took the largest hit again in the cuts, being reduced by 26% in comparison to FY 2012 (Illinois State Board of Education, 2011). The cuts in transportation reimbursement tend to impact rural school districts more than urban ones, with the former having lower population densities and many more square miles to cover.

The state of Illinois is at a crossroads in education finance in 2011. The fiscal situation in the state is dire; currently it is estimated that there is a $12.8 billion deficit in the state budget for FY 2011, and that deficit is projected to grow over time if nothing significant is done (The Civic Federation, 2010). Some legislators and civic groups advocate for an overhaul of the tax structure in Illinois, while others are calling for deep cuts in state services to keep the state in the black (Mancini, 2008). Governor Quinn has even proposed forcing the consolidation of school districts as a method of reducing costs, though thoughts on whether or not consolidation would actually result in savings are

mixed (Quinn's school mergers, 2011). At this time, as the state cuts back on general state aid, the gaps between property rich and poor districts will continue to grow. Many districts that rely heavily on general state aid are making difficult budgetary choices and most educators are skeptical that the financial problems will be solved any time soon.

Summary and Analysis

The public schools in Illinois evolved in the same way that most other states did; as individual entities supported by local taxation. In the 20th century, efforts to equalize spending between areas with and without significant property wealth began to find their way into the courts and legislature. The most significant successes by reformers in leveling the financial playing field took place in the 1970's, with reform to the state's funding formula (Illinois State Board of Education, 1982). Since the 1970's the state of Illinois has provided less and less revenue to school districts as a percentage of overall revenue, with school districts relying more heavily on their property tax base for support. Presently less than 23% of overall school monies come from state sources (Illinois School Report Card, 2010), down from a high of nearly half of all revenues in the mid-1970's. The 2011 budget crisis facing the state of Illinois as well as the national economic slowdown will most likely mean a continuation of the downward trend in state funding in the immediate foreseeable future.

The research questions addressed by this study will give insight into how the leaders in school districts will be planning for the uncertain fiscal future. The following questions are used to guide this research:

- Do public school K-12 superintendents believe that they have sufficient resources to provide an adequate education for the students residing in their district?
- According to K-12 public school superintendents, what modifications, if any, would they like to see in the way the State of Illinois funds public K-12 schools?
- How would K-12 public school superintendents choose to spend funds if supplied with additional renewable revenues?

In order to support these research questions it was important to address the concept of equity in school funding since it has provided the impetus for much research and change in school funding methods in the last half century. It was also critical that the concept of adequacy be addressed, since the state of Illinois does, through the creation of the EFAB, at least statutorily consider what an appropriate level of funding should be before passing budget legislation. Research on school funding has shown that money in and of itself is not the solution to what ails struggling schools, nor is it a guarantee of improved student achievement. The research on the impact of educational resources, including money, was essential in shaping the research questions for this study.

The challenge ahead of superintendents will be in making things work in school districts that rely heavily on the state for support; in other words, those districts with low equalized assessed valuations per pupil. School districts with significant amounts of property wealth per pupil will not be under the same pressures as those who do not have another stable source of revenue. As the budget process evolves in Springfield, it is worth noting if superintendents across the state are all pulling in the same direction when it

comes to advocating for public school funding. It is also worth noting how superintendents would spend additional revenue, if it existed, given the current economic conditions and each school's perceived resource needs.

CHAPTER III - METHODOLOGY

Purpose of the Research

The purpose of this research study was to investigate the perceptions of K-12 superintendents regarding the adequacy of the public school finance system in Illinois. The state of Illinois has the most public school districts per capita of any state in the nation (*Rankings & Estimates*, 2007). Years of tracking demographic and financial data in Illinois clearly shows widely varying demographic and economic variables between them. This study attempted to ascertain the status of school funding in relation to the perceived needs from a practitioner's perspective by surveying the 868 public school district superintendents in the state of Illinois.

Superintendents in the state of Illinois are ultimately responsible to their Boards of Education for providing the overall vision, mission, and leadership to the school district. Superintendents are faced with budget challenges as they attempt to create and maintain successful educational programs for the students they serve. Effective financial leadership means having the necessary resources to get the job done, but also deploying those resources in effective ways in order to maximize student achievement. As one considers the fiscal outlook of school districts in terms of overall resources it is important to note that, "money may be necessary for school improvement, but it cannot guarantee that improvement takes place" (Grubb, 2009, p. 7). Money is a necessary resource for

schools, but not sufficient alone to create effective schools. The purpose of this study was to investigate the perceptions of superintendents regarding the fiscal situation in their districts and determine if trends existed among the superintendents based on the demographic and financial variables of the school districts they represent as well as some characteristics of the superintendents themselves.

The following questions guided the research:

- Do public school K-12 superintendents believe that they have sufficient resources to provide an adequate education for the students residing in their district?
- According to K-12 public school superintendents, what modifications, if any, would they like to see in the way the State of Illinois funds public K-12 schools?
- How would K-12 public school superintendents choose to spend funds if supplied with additional renewable revenues?

Research Design

For the purposes of this study a qualitative survey design was utilized. Based on a 2001 survey given to superintendents in Georgia, the survey used in this case was designed by the researcher to collect information specific to Illinois schools (Cruze, 2001). Survey data was triangulated with financial and demographic data from the respondent's school districts, provided by the respondent, so that patterns in responses between similar classes of districts (large vs. small, rural vs. urban, high vs. low student poverty, etc.) could be analyzed. The source of data was information from the responses of public school superintendents on the survey instrument. The survey instrument separated variables into quartiles using school report card data obtained via the Illinois

Interactive Report Card (http://iirc.niu.edu/Default.aspx). This study used Opinio, a web-based survey instrument with questions about the characteristics of the superintendents themselves, adequacy, equity, the challenges that superintendents see in their own districts, and their priorities for spending any new funds. Opinio is a web-based professional survey tool designed to make data collection efficient and easy for both the researcher and participant. A trial run using the Opinio survey instrument was conducted with a small group of superintendents and assistant superintendents prior to the launch of the survey statewide to ensure that the survey instrument functioned properly. The data from the survey instrument was analyzed by an inductive process of sorting data into categories and identify patterns and relationships among the categories.

Methodology and Research Procedures

The researcher obtained a directory of the email addresses of public school superintendents from the Illinois State Board of Education. A survey instrument (Appendix B) was made available to each superintendent by providing a URL address and link in the cover letter (Appendix A). The cover letter (Appendix A) explained the study, consent process, and provided access to the web-based survey document. The cover letter noted that the participation in the study is strictly voluntary, that demographic information provided will not be used in any way to link particular responses to individuals, and that there is no penalty for non-participation. The cover letter was distributed via email.

The superintendents were asked to complete the web-based survey at any time in a six-week window. Reminder emails were sent out after the second and fourth week to

encourage participation. The survey (Appendix B) addressed issues concerning the satisfaction of superintendents with their current level of resources, their concerns and comments about the methods via which the General Assembly funds public education in Illinois, reforms in public school funding they would like to see, and how any additional future revenues would potentially be spent if they were provided. An explanation of the purpose and goals of the study were included with the survey instrument. Superintendents choosing to participate in the study were able to access the survey via a link in the cover letter. Completion of the survey implied consent.

Survey responses were stored in Opinio. The identities of the respondents were not tracked per Opinio user policy. At no point did Opinio store any linking information, including but not limited to email addresses, individual names, or district names. Demographic data tracked with Opinio was done in quartile groups, allowing this researcher to look at responses from superintendents sharing common demographic and economic characteristics while preserving the anonymity and confidentiality of the respondents.

Population and Sample

All 868 superintendents of Illinois public school districts were invited to participate in this research study. These school districts vary considerably in demographic and financial variables. The superintendents themselves vary in age, gender, race, ethnicity, and years of experience. The purpose for choosing all school districts in Illinois is to evaluate the overall perception of the method by which the Illinois General Assembly funds public schools. It was the intent of this researcher that by casting a wide

net that this study would glean many perspectives and that trends would be illustrated in the data. Additionally, by having a large sample size it was anticipated that a large response will provide an adequate basis for generalization of the data.

Data Collection and Analysis

The researcher distributed the cover letter, survey document, and collected data through electronic means. Participants received, via email, an invitation to participate in the survey. The cover letter explained the purpose of the study and provided access to the web-based survey via a link. The cover letter and survey instrument informed the participant that by opening and completing the survey they were giving their consent. Participants were asked not to include their name or their school district's name in their responses. Opinio software was used to collect the survey data. Collection of online survey data continued for six weeks. Superintendents received emails at the two and four week mark after the launch of the survey reminding them that they are invited to participate if they have not done so already.

The method in which documents were distributed to participants guarded against any identification of the participants. All results were combined together as one aggregate group. In addition, participants were informed that the general findings of the survey would be made available upon completion of the research. All raw data from the study was kept electronically by the researcher for a period of one year and then destroyed. All information gathered was used solely for the purpose of this dissertation research. Only general findings of the research will be kept indefinitely.

The data from the survey instrument was analyzed by triangulation with demographic variables about the school district and superintendent. Participant responses were coded and cross checked to determine if any patterns existed among superintendents with variables in common. Since survey responses are separated into quartiles it was also determined if superintendents responded at differing rates based upon provided demographic variables. It is worth noting that the quartiles took into account whether the school districts were elementary, high school, or unit districts. The online survey was threaded in such a way that the demographic questions reflected the quartiles of each of the three types of districts. When superintendents answered the question regarding the type of district they serve, the responses to later questions then showed quartiles appropriate for that group. Responses to the various questions were also compared to other current research in school finance to determine if the responses provided by the superintendents overall or in any particular demographic group represent best practice.

Limitations of the Study

This researcher recognizes the following limitations of the study:

1. The study was limited to voluntary responses. There was no recourse to encourage participation beyond the reminder notices sent approximately two and four weeks before the conclusion of the survey period.
2. The researcher had no control over the honesty and accuracy of the responses provided by participants. Their responses may have not completely aligned with their published school report card data due to the self-reporting nature of the

survey. This self-reporting was necessary, however, to assure participants of confidentiality.

3. The superintendent/CEO of the City of Chicago School District #299 was not included in the sample population. This district receives funds via unique funding structures due to its large size compared to other school districts in the state, so a comparison was not appropriate.

Bias

This researcher was the sole researcher for this study. He was responsible for the review of literature and administering the survey instrument. He understood that he had primary responsibility for maintaining ethical conduct and the protection of the rights and welfare of the participants in this study. All data was kept secure and confidential in the researcher's home office and on the Opinio web site.

The investigator in this study is a high school administrator. His own perceptions of school finance from his personal experiences could have potentially come into play. To minimize any impact of these personal perceptions the researcher remained focused on the data as the respondents provided it. The researcher analyzed the data as it was presented and avoided drawing any conclusions other than those that emerged as patterns in the responses.

Summary

School districts with high property values are able to generate significant amounts of revenue from relatively low tax rates. Districts that have low property values, a lack of

an industrial or retail tax base, or a booming population with little other growth in their EAV must try and make do with fewer dollars per student in spite of generally higher property tax rates (Verstegen & Driscoll, 2008). The state of Illinois has a wide revenue gap between its property-rich and property poor school districts, and it attempts to level the playing field by using a foundation formula. As the state of Illinois faces hard financial times in the coming fiscal years schools have been put through financial stress, though not all to the same degree. The superintendents in school districts across the state face challenges unique to their location, but also as part of a larger group of school districts who share common characteristics. This study sought to determine if superintendents of school districts sharing certain demographic variables feel the same way, and if there were any differences in superintendents perceptions of school finance in Illinois based upon demographic differences.

Research to date has been unable to conclusively determine if the amount of money spent per student has a significant correlation to student achievement. Current educational research indicates that having adequate financial resources is a necessary but not sufficient prerequisite to create improved student performance. The methods in which financial resources are deployed become critical to using the fiscal resources of districts in an efficient manner. If school districts were to have new revenues but spend them in the same ways they do now, it is unlikely that student achievement would improve (Grubb, 2009). Another component to this study was to determine the ways in which school districts would choose to spend additional revenue should they come across it. The superintendent's responses were triangulated with their demographic information to

determine if they perceived having the same needs in any particular set of common circumstances.

The study used a qualitative survey approach to determine the perceptions of public school finance in Illinois by superintendents. Surveys were distributed to all public school superintendents in the state of Illinois except for the City of Chicago School District #299, which due to its size, operates under different funding mechanisms. Survey questions asked superintendents to self-report demographic information based upon quartiles for their district type. The superintendents were also asked questions regarding their overall perceptions of school funding for their district, their suggestions for modifying the system, and how they would use any additional revenues should they become available. Data collected on the perceptions of superintendents was triangulated with the demographic variables to determine if commonalities exist between the superintendents. The survey instrument and study was designed to answer the following research questions:

- Do public school K-12 superintendents believe that they have sufficient resources to provide an adequate education for the students residing in their district?
- According to K-12 public school superintendents, what modifications, if any, would they like to see in the way the State of Illinois funds public K-12 schools?
- How would K-12 public school superintendents choose to spend funds if supplied with additional renewable revenues?

CHAPTER IV – PRESENTATION AND ANALYSIS OF DATA

The 2012 fiscal year was a challenging one for many public school districts in the State of Illinois. In FY 2012 the General Assembly reduced funding for transportation. The General Assembly also kept the foundation level the same as FY 2011, thereby freezing or reducing general state aid to school districts. Public school districts across Illinois had to adjust to this decrease in revenue. Each school district is affected differently based upon their demographics and how much they rely on the State of Illinois to fund their operations. Some school districts collected little money from the state as an overall percentage of revenue; these districts did not have to make cuts to programs or staff. A few school districts have seen a decrease in revenues and used cash reserves to cover deficits while maintaining their instructional programs. Other school districts which relied heavily on the state for their revenues and had to make significant changes to the instructional program, building maintenance, or transportation in order to make ends meet. The superintendents of each school district play an integral role in strategic planning and advise their school boards on how best to weather financial storms such as this.

The purpose of this study was to investigate the perceptions of K-12 superintendents across the state of Illinois regarding the adequacy of the public school finance system. The research was conducted using a qualitative design where superintendents self-reported demographic information about themselves and their school

districts, and then answered questions about their school district's fiscal outlook while providing their ideas for how to modify fiscal policy in Illinois. Answers to the questions were analyzed alongside their self-reported demographic information in order to determine if tendencies existed among superintendents from similar school districts. Information was gathered to determine if the type of school district (elementary, unit, or high school), the setting of the school district (urban, suburban, or rural), the number of years of experience the superintendents possessed, the relative per-pupil operational expenditure of each school district, and other district or student demographic variables significantly impacted the superintendent's outlook on their school's fiscal health or position on matters of fiscal policy.

The following questions guided the research:

- Do public school K-12 superintendents believe that they have sufficient resources to provide an adequate education for the students residing in their district?
- According to K-12 public school superintendents, what modifications, if any, would they like to see in the way the State of Illinois funds public K-12 schools?
- How would K-12 public school superintendents choose to spend funds if supplied with additional renewable revenues?

Answers to these questions were based on data gathered from an online survey instrument administered via the Opinio web survey program. Illinois public school K-12 superintendents were contacted via email through a list provided by the ISBE with an invitation to participate in the survey. The email consisted of a letter explaining the purpose of the study with a link to the Opinio survey page. Once participants clicked on

the link they were directed to the Opinio site and the consent document. At the end of the consent document a link to continue was provided. By clicking "Start", participants granted consent to use their responses in the study. If participants chose to leave the survey they could click "Exit this survey" at any time. The email invitation was initially sent on September 1st, 2011. Reminder emails went out after two and four weeks. The survey closed after six weeks on October 14th, 2011.

After identifying demographic characteristics in 15 different areas, superintendents were asked 8 Likert-scale response questions and four open-ended response questions. The Likert-scale responses were triangulated with each of the demographic variables, many of which were analyzed in quartiles in order to protect the anonymity of the respondents. Quartiles for those variables were established using a database created from 2010 Illinois School Report Card data for each school district. Key phrases and terms were used to code the responses to the open-ended questions that were asked, and demographic data was analyzed for those responses that frequently appear among the superintendents.

The findings are presented in three sections. Section One includes demographic information with respect to the participants in the study as well as the demographic information from the school districts they represent. The rationale for requesting this demographic information was to determine if participant responses on the survey had a relationship with any of the demographic information about the participants or their school districts. To preserve anonymity no identifying information was collected; participants selected items that best represented them from one of several broad categories, mostly in quartiles. It is worth noting that the quartiles were established based

upon the type of school district the superintendent represented (elementary, unit, or high school). For these differing types of school districts the numerical values that represent large or small values in each category can vary significantly. For example, high schools tend to have higher operational per-pupil expenditures that unit districts and unit districts tend to have higher operational per-pupil expenditures than elementary districts. In order to make a relative comparison across school districts of the same type, the response items for each district type differed. When participants answered the survey items, the quartiles for operational per-pupil expenditure, enrollment, local tax rate, Equalized Assessed Valuation, the percentage of revenues from state sources, and the student performance on standardized tests were all based upon the district type selection from earlier in the survey.

Section Two presents the data from the Likert-scale response items on the survey. The responses are presented as an aggregate and then broken down by the collected demographic variables. Any differences among the responses based on demographic characteristics are presented in tables.

Section Three presents the responses from the open-ended questions asked of the participants. The responses that appear most frequently were analyzed to determine if the responses came largely from one demographic group. In this section specific ideas from the participants will be presented in order to illustrate their thoughts on the questions posed to them in both Sections Two and Three.

Section One: Summary of Demographic Information

A total of 862 invitations were sent out. 61 of the invitations (7 percent) were returned to the researchers email account after being rejected by the destination email server. Many of these rejections were as a result of a change in the superintendent in the targeted school districts. The new superintendents were not on the list provided by the ISBE. Other failures were due to the email server characterizing the email delivery system as spam and rejecting the message. No further attempt was made to contact the superintendents in these districts. The rationale for not doing so included the fact that quite a few of the superintendents had been designated as "interim", and others had just arrived in their districts. It was determined that their perceptions may not adequately reflect the district's demographics due to a lack of "time on the job." Additionally, this researcher had concerns about the participant's perceptions of anonymity if their emails were specifically targeted for inclusion in the survey.

A total of 244 responses were started by superintendents. This represents 28 percent of all of the invited superintendents, and 30 percent of those who actually received the invitation. Overall, 197 of the participants completed the survey. This is an overall response rate of 23 percent of the invited participants, or 25 percent of those that actually received the email invitation.

Some of the demographic questions and their responses in the survey instrument were customized based upon the participant's district type. This was necessary due to size differences and the unique tax and revenue formulas that exist in Illinois for each type of school district based upon the grade levels served. The eighth question in the survey asks

the superintendents participating to identify if they work in an elementary (grades K-8), unit (grades K-12), or high (grades 9-12) school district. Based upon the participant's response to that question the remaining demographic questions and/or responses were differentiated. The superintendents participating from unit or elementary districts were asked about their student's ISAT scores; high school superintendents were not (high school students do not take ISAT exams). The superintendents participating from unit and high school districts were asked about their student's PSAE scores; the elementary districts were not (elementary students do not take the PSAE exam). All superintendents participating were asked to select a response to questions regarding their school district's enrollment, operational per-pupil expenditure, equalized assessed valuation, local property tax rate, and the percentage of their revenues that come from state sources. The choices that superintendents had to answer these questions varied depending upon whether the superintendent represented an elementary, unit, or high school district. Each of the possible responses was based upon quartiles for that particular district type, determined from each district's 2010 school report card.

It is worth noting at this time that the response rate was significantly lower for the questions that had differentiated responses. For the questions related to test scores, enrollment, operational per-pupil expenditure, equalized assessed valuation, local property tax rate, and the percentage of their revenues that come from state sources, the response rate was approximately 60% of that of the rest of the survey. The number of respondents to those questions ranged from a low of 116 to a high of 122, representing approximately 14% of superintendents across the State of Illinois. This researcher is unsure of why these questions had such a significantly lower response rate. It should be

considered whether or not participants were unwilling to respond or unable to respond to these selected questions. It could be supposed that for some participants the demographic information from the 2010 School Report Card was not readily available and so the superintendents chose to simply not answer them. It could also be true that some participants may have felt uncomfortable revealing so much demographic information in the thought that their later answers could be identified to their district. Finally, it could be possible that some processes with the Opinio software may have been incompatible with the computer or other device that the respondent was working from when they answered the survey. The responses or lack of responses to these questions did not correlate in any way with any questions previously answered, and most continued on to complete the survey fully without this demographic data.

Of the 244 responses to the survey, 184 of the participants were male and 59 were female. Table 1 represents the gender data.

Table 1

Respondent's Gender

Question 1 - What is your gender?

Choices	*Absolute Frequency*	*Relative Frequency*	*Adjusted Relative Frequency*
Male	184	75.41%	75.72%
Female	59	24.18%	24.28%
Not answered	1	0.41%	N/A

Table 2 indicates the age of the participants in the study. The largest group of respondents to the survey was between the ages of 45 and 54, representing nearly 41% of the participants overall. This was followed closely by the group of superintendents ranging from 55 to 64 years of age, with nearly 38% of the overall responses. For the purpose of analyzing the open-ended questions, responses in the categories "Under 35 years of age" and "65 years of age or older" were consolidated with their adjacent responses.

Table 2

Respondent's Age

Question 2 - What is your age?

Choices	*Absolute Frequency*	*Relative Frequency*	*Adjusted Relative Frequency*
Under 35 years of age	3	1.23%	1.23%
35 - 44 years of age	43	17.62%	17.70%
45 - 54 years of age	99	40.57%	40.74%
55 - 64 years of age	92	37.70%	37.86%
65 years of age or older	6	2.46%	2.47%
Not answered	1	0.41%	N/A

Table 3 represents the ethnicity of the superintendents themselves. Only 10 superintendents of the 244 that chose to participate in the study indicated that they were of an ethnicity other than White, not of Hispanic origin.

Table 3

Respondent's Race

Question 3 - What is your race?

Choices	*Absolute Frequency*	*Relative Frequency*	*Adjusted Relative Frequency*
American Indian	1	0.41%	0.41%
Black or African-American	3	1.23%	1.24%
Hispanic of Latin-American	3	1.23%	1.24%
Multi-racial	1	0.41%	0.41%
White, not of Hispanic origin	234	95.90%	96.69%
Not answered	2	0.82%	N/A

Table 4 shows the experience of the superintendents that completed the survey. 67% of the respondents have been superintendents for 8 years or less, with the most frequent response from the participants indicating that they had between five and eight years of experience (34%).

Table 4

Respondent's Years of Experience as Superintendent

Question 4 - How many years have you been a superintendent?

Choices	*Absolute Frequency*	*Relative Frequency*	*Adjusted Relative Frequency*
1 - 2 years	30	12.30	12.40
3 - 4 years	51	20.90	21.07
5 - 8 years	82	33.61	33.88
9 - 12 years	38	15.57	15.70
12 - 16 years	19	7.79	7.85
17 years or more	22	9.02	9.09
Not answered	2	0.82	N/A

Table 5 indicates the setting in which the respondent's school district is located. Only 5% of the superintendents that participated in the survey indicated that they served in an urban district. 42% of the respondents indicated they served in suburban districts, while 52% represented rural districts.

Table 5

District Setting

Question 5 - Which setting best describes where your school district is located?

Choices	*Absolute Frequency*	*Relative Frequency*	*Adjusted Relative Frequency*
Urban	12	4.92%	5.15%
Suburban	99	40.57%	42.49%
Rural	122	50.00%	52.36%
Not answered	11	4.51%	N/A

Table 6 represents the first chunk of data where the categories of responses had been broken down into quartiles. Each of the response selections represents 25% of school districts in the state of Illinois. The frequency of the responses from school districts that serve nearly all White, not of Hispanic origin or Asian students is far larger than those from school districts that serve more diverse populations. Nearly 50% of the respondents came from this one nearly homogenous quartile.

Table 6

Percentage of Black/African-American, Hispanic/Latin-American, Native-American, and Multi-racial Students

Question 6 - According to your 2010 Illinois School Report Card, what total percentage of your students are of Black/African-American, Hispanic/Latin-American, Native-American, or multi-racial origin?

Choices (quartiles)	*Absolute Frequency*	*Relative Frequency*	*Adjusted Relative Frequency*
4% or below	115	47.13%	49.57%
5 - 10%	33	13.52%	14.22%
11 - 30%	41	16.80%	17.67%
31% or more	43	17.62%	18.53%
Not answered	12	4.92%	N/A

Table 7 indicates the percentage of low-income students in the respondent's districts. The response selections are each representative of one quarter of the districts in Illinois. The responses appear to be well broken up between the four quartiles, with the largest number of responses coming from the quartile with the lowest percentage of low-income students (29%).

Table 7

Percentage of Low-Income Students

Question 7 - According to your 2010 Illinois School Report Card, what percentage of your student population could be categorized as low-income?

Choices (quartiles)	*Absolute Frequency*	*Relative Frequency*	*Adjusted Relative Frequency*
19% or below	67	27.46%	28.88%
20 - 34%	53	21.72%	22.84%
35 - 49%	63	25.82%	27.16%
50% or more	49	20.08%	21.12%
Not answered	12	4.92%	N/A

Table 8 represents the grade configuration of the school districts the respondents represent. Superintendents from elementary districts make up 46% of the respondents to the survey; this is appropriate since 44% of school districts in Illinois are elementary districts (386 out of 868). Unit districts were represented in 41% of the responses; they too make up 44% of the total school districts in the state (382 out of 868). Superintendents from high school districts make up 13% of the respondents and 12 percent of the state's number of districts (100 out of 868). The sample here appears to well represent the state in terms of percentages.

Table 8

District Grade Configuration

Question 8 - Which grade configuration best describes your school district?

Choices	*Absolute Frequency*	*Relative Frequency*	*Adjusted Relative Frequency*
Elementary	107	43.85%	45.92%
High School	31	12.70%	13.30%
Unit	95	38.93%	40.77%
Not answered	11	4.51%	N/A

Table 9 indicates the frequency of the responses based on the enrollment of the represented districts. The quartile representing the smallest districts answered only slightly more frequently than the rest with 27% of the overall responses, and the second smallest quartile had the fewest number of responses, indicated by 22% of the participants. The participation from each quartile is relatively even, indicating a good representation of different sized districts based on student population.

Table 9

District Enrollment

Question 9 - According to your 2010 Illinois School Report Card, what is the student enrollment your school district?

Choices (quartiles)	*Absolute Frequency*	*Relative Frequency*
1st Quartile (E: 265 or below, H: 675 or below, U: 550 or below)	33	27.05%
2nd Quartile (E: 266 - 775, H: 676 - 1750, U: 551 - 975)	27	22.13%
3rd Quartile (E: 776 - 1800, H: 1751 - 3725, U: 976 - 1980)	31	25.41%
4th Quartile (E: 1801 or more, H: 3726 or more, U: 1981 or more)	31	25.41%
Total	***122***	N/A

Table 10 indicates the percentage of responses from school districts based on their ISAT exam score quartiles. This question was not asked of the respondents from high school districts since they do not administer this exam; only unit and elementary districts are represented. For this reason an adjusted relative frequency is not shown. The quartile with the lowest test scores has the highest representation with nearly one-third of the overall responses (33%). The least frequent response came from the 3rd quartile, representing only 16% of the overall responses. The 2nd and 4th quartiles were near the 25% mark.

Table 10

Percentage of Students that Meet/Exceed State Standards - ISAT

Question 10 - According to your 2010 Illinois School Report Card, what percentage of your students met or exceeded state standards on the ISAT exam? (elementary and unit school districts only)

Choices (quartiles)	*Absolute Frequency*	*Relative Frequency*
1st Quartile (80% or below)	34	33.33%
2nd Quartile (81 - 85%)	24	23.53%
3rd Quartile (86 - 90%)	16	15.69%
4th Quartile (91% or more)	28	27.45%
Total	***102***	N/A

Table 11 shows the response rate among the quartiles of schools based upon their PSAE exam scores. This question was not asked of the respondents from elementary school districts since they do not administer this exam; only unit and high school districts are represented. For this reason an adjusted relative frequency is not shown. There is a variety in the rate of response in each category in spite of the fact that each response represents one quarter of all Illinois unit and high school districts. The quartile representing schools with the lowest test scores only makes up 16% of the responses, while the quartile representing the highest test scores comprises 35% of the responses. The frequency of the responses in each quartile rises along with the test scores they represent.

Table 11

Percentage of Students that Meet/Exceed State Standards - PSAE

Question 11 - According to your 2010 Illinois School Report Card, what percentage of your students met or exceeded state standards on the PSAE exam? (unit and high school districts only)

Choices (quartiles)	*Absolute Frequency*	*Relative Frequency*
1st Quartile (46% or below)	11	16.18%
2nd Quartile (47 - 52%)	13	19.12%
3rd Quartile (53 - 61%)	20	29.41%
4th Quartile (62% or more)	24	35.29%
Total	***68***	N/A

Table 12 indicates the frequency of responses based upon the percentage of revenue the represented district receives from the State of Illinois. 25% of the responses came from the 1st quartile (lowest percentage of income from the state), 21% from the second quartile, 22% from the third quartile, and 32% from the 4th quartile (highest percentage of income from the state).

Table 12

Percentage of State Revenue

Question 12 - According to your 2010 Illinois School Report Card, what percentage of school district revenues comes from the State of Illinois (general state aid, categoricals, and other state sources)?

Choices (quartiles)	*Absolute Frequency*	*Relative Frequency*
1st Quartile (E: 10% or below, H: 7% or below, U: 25% or below)	30	24.79%
2nd Quartile (E: 11 - 25%, H: 8 - 15%, U: 26 - 34%)	25	20.66%
3rd Quartile (E: 26 - 39%, H: 16 - 23%, U: 35 - 43%)	27	22.31%
4th Quartile (E: 40% or more, H: 24% or more, U: 44% or more)	39	32.23%
Total	***121***	N/A

Table 13 provides data on the frequency of responses based upon the operational per-pupil expenditure from the participant's school district. The superintendents from the lowest spending quartile are the most represented in the survey, comprising nearly 36% of the overall responses. The 2nd quartile response rate drops to 28%, and the 3rd quartile relative frequency is even lower at 20%. The superintendents from the highest spending quartile had the least number of responses, representing just 16% of the population in the study.

Table 13

Operational Per-Pupil Expenditure

Question 13 - According to your 2010 Illinois School Report Card, what was your overall operational expenditure per-pupil?

Choices (quartiles)	*Absolute Frequency*	*Relative Frequency*
1st Quartile (E: $8,450 or below, H: $10,800 or below, U: $8,300 or below)	42	35.59%
2nd Quartile (E: $8,451 - 9,850, H: $10,881 - 12,300, U: $8,301 - 9,050)	33	27.97%
3rd Quartile (E: $9,851 - 11,630, H: $12,301 - 15,200, U: $9,051 - 10,100)	24	20.34%
4th Quartile (E: $11,630 or more, H: $15,201 or more, U: $10,101 or more)	19	16.10%
Total	***118***	N/A

Table 14 shows the frequency of responses based upon the Equalized Assessed Valuation of the school districts each superintendent represents. The highest rate of response (32%) came from the 1st quartile, representing districts with the lowest EAV. The lowest rate of response came from the 2nd quartile at 21%. The 3rd and 4th quartiles were represented by 27% and 21% of the responses, respectfully.

Table 14

District Equalized Assessed Valuation

Question 14 - According to your 2010 Illinois School Report Card, what is your school district's equalized assessed valuation (EAV)?

Choices (quartiles)	*Absolute Frequency*	*Relative Frequency*
1st Quartile (E: $115,000 or below, H: $290,000 or below, U: $70,000 or below)	37	31.62%
2nd Quartile (E: $115,001 - 200,000, H: $290,001 - 410,000, U: $70,001 - 92,000)	24	20.51%
3rd Quartile (E: $200,001 - 375,000, H: $410,001 - 710,000, U: $92,001 - 125,000)	31	26.50%
4th Quartile (E: $375,001 or more, H: $710,001 or more, U: $125,001 or more)	25	21.37%
Total	***117***	N/A

Table 15 indicates the responses from superintendents based upon the tax rate their school districts levy in their communities. All four of the responses appeared between 21% and 29% of the time. The quartile represented least frequently was the 4th, while the quartile represented most frequently was the 2nd.

Table 15

District Property Tax Rate

Question 15 - According to your 2010 Illinois School Report Card, what is your school district's property tax rate?

Choices (quartiles)	*Absolute Frequency*	*Relative Frequency*
1st Quartile (E: 2.5 or below, H: 1.7 or below, U: 4.0 or below)	31	26.72%
2nd Quartile (E: 2.6 - 3.0, H: 1.8 - 2.0, U: 4.1 - 4.5)	33	28.45%
3rd Quartile (E: 3.1 - 3.4, H: 2.1 - 2.5, U: 1.6 - 5.0)	28	24.14%
4th Quartile (E: 3.5 or more, H: 2.6 or more, U: 5.1 or more)	24	20.69%
Total	***116***	N/A

Section Two: Likert-Scale Survey Response Items

In this section of the survey respondents were given eight statements and were asked to select the response that best described their response to it. For the first seven statements superintendents answered based on a 1 – 7 Likert scale where 1 meant "Strongly Agree," 4 meant "No Opinion," and 7 meant "Strongly Disagree." The last Likert-scale response item asked superintendents to rate the impact of the state fiscal crisis on a 1 – 7 Likert scale where 1 meant "Severe Impact," 4 meant "Moderate Impact," and 7 meant "No Impact." It is again worth noting the lower response rate on the demographic questions of enrollment, operational per-pupil expenditure, equalized assessed valuation, local property tax rate, and the percentage of their revenues that come from state sources. The trends that may appear to exist in the data presented below may not be as significant in these areas in comparison the rest of the demographic variables.

Question 16 in the survey read, "My school district has an adequate level of resources to meet the needs of the students in the district". About 6% of the respondents to the survey indicated the most positive response, "Strongly Agree," indicated by a 1 on the 7 point scale. This response had the lowest adjusted relative frequency. The response with the next lowest adjusted relative frequency was 4, which indicated "No Opinion." The other two positive responses, indicated by a 2 or 3, had an adjusted relative frequency of 16.5% and 15.5%, respectively. The negative responses, indicated by a 5, 6, or 7, were indicated by 15%, 19%, and 18.5% of the respondents, respectively. The two most frequently answered responses to the statement were the two most negative responses, 6 and 7, indicating strong disagreement. The mean (average) response was

4.42 for this statement, showing that overall the respondents tended to disagree slightly overall with the statement. The responses are summarized and broken down in Table 16.

Table 16

Perception of the Adequacy of Resources

Question 16 - My school district has an adequate level of resources to meet the needs of the students in the district.

Choices	*Absolute Frequency*	*Relative Frequency*	*Adjusted Relative Frequency*
N/A	0	0.00%	0.00%
1 (Strongly Agree)	12	4.92%	5.83%
2	34	13.93%	16.50%
3	32	13.11%	15.53%
4	20	8.20%	9.71%
5	31	12.70%	15.05%
6	39	15.98%	18.93%
7 (Strongly Disagree)	38	15.57%	18.45%
Not Answered	38	15.57%	N/A

MEAN = 4.42

Average (Mean) Response Based On Superintendent/District Demographic Characteristics

Gender		**Location**		**District Type**		**Supt. Ethnicity**	
Male	4.78	**Rural**	4.64	**Elem.**	4.45	**White**	4.43
Female	4.32	**Suburban**	4.15	**High**	3.96	**(non-Hispanic)**	
		Urban	4.78	**Unit**	4.57	**All Other**	4.17
Age		**% Minority Students**		**Enrollment**		**PSAE M/E**	
Under 45	3.83	**Q1**	4.38	**Q1**	4.35	**Q1**	4.64
45-54	4.48	**Q2**	4.22	**Q2**	4.30	**Q2**	4.92
55 or over	4.62	**Q3**	4.44	**Q3**	4.14	**Q3**	4.10
		Q4	4.70	**Q4**	4.30	**Q4**	3.63
Years Experience		**% Low Income**		**Per-Pupil Op. Exp.**		**ISAT M/E**	
1 - 2	4.32	**Q1**	3.90	**Q1**	4.85	**Q1**	4.63
3 - 4	4.23	**Q2**	4.57	**Q2**	4.12	**Q2**	4.29
5 - 8	4.52	**Q3**	4.69	**Q3**	4.82	**Q3**	4.44
9 - 12	4.38	**Q4**	4.79	**Q4**	2.74	**Q4**	4.11
12 - 16	4.20						
17 or more	4.89	**EAV**		**Tax Rate**		**% State Income**	
		Q1	4.81	**Q1**	4.03	**Q1**	2.96
		Q2	4.57	**Q2**	4.64	**Q2**	4.88
		Q3	4.27	**Q3**	4.48	**Q3**	4.04
		Q4	3.48	**Q4**	4.04	**Q4**	5.08

In table 16 several demographic variables demonstrate trends that are worth noting. Rural and urban superintendents disagreed slightly more than their suburban counterparts with the statement, with mean responses of 4.64, 4.78, and 4.15, respectively. Unit and elementary district superintendents disagreed a bit more than their high school colleagues, with mean responses of 4.45, 4.57, and 3.96 respectively. Superintendents from school districts with a small population of low income students tended to answer this question more positively than those with larger percentages of low income students. More positive responses also came from superintendents in districts with higher equalized assessed valuation, higher per-pupil expenditure, and lower tax rates. The variable that made the largest difference in the response of the superintendents was the percentage of income that came from the State of Illinois. School districts that received little state money for operation were much more positive (mean = 2.96) than those that depend significantly on state funds (mean = 5.08).

Question 17 in the survey read, "The method by which Illinois distributes funds to public schools is equitable and fair". This statement was the most strongly disagreed with item on the survey instrument. No respondent answered this item with a 1, indicating "Strongly Agree." Only 8% of the respondents to the survey indicated any sort of positive response, indicated by a 2 or 3 on the 7 point scale. The response with the next lowest adjusted relative frequency was 4, which indicated "No Opinion"; 8% of superintendents chose this response. The negative responses, indicated by a 5, 6, or 7, were indicated by 8%, 24%, and 51% of the respondents, respectively. The most frequently answered response to the statement was the most negative response, 7, indicating strong disagreement. The mean (average) response was 5.98 for this statement, showing that

overall the respondents tended to disagree with the statement. The responses are summarized and broken down in Table 17.

Table 17

Perception of Equity in School Funding Distribution

Question 17 - The method by which Illinois distributes funds to public schools is equitable and fair.

Choices	*Absolute Frequency*	*Relative Frequency*	*Adjusted Relative Frequency*
N/A	0	0.00%	0.00%
1 (Strongly Agree)	0	0.00%	0.00%
2	6	2.46%	2.93%
3	11	4.51%	5.37%
4	17	6.97%	8.29%
5	17	6.97%	8.29%
6	50	20.49%	24.39%
7 (Strongly Disagree)	104	42.62%	50.73%
Not Answered	39	15.98%	N/A

MEAN = 5.98

Average (Mean) Response Based On Superintendent/District Demographic Characteristics

Gender		**Location**		**District Type**		**Supt. Ethnicity**	
Male	5.99	**Rural**	6.03	**Elem.**	6.12	**White**	5.97
Female	5.93	**Suburban**	5.89	**High**	5.68	**(non-Hispanic)**	
		Urban	6.44	**Unit**	5.94	**All Other**	6.00
Age		**% Minority Students**		**Enrollment**		**PSAE M/E**	
Under 45	5.86	**Q1**	5.97	**Q1**	5.83	**Q1**	5.91
45-54	6.01	**Q2**	5.74	**Q2**	6.15	**Q2**	6.00
55 or over	6.02	**Q3**	6.08	**Q3**	6.03	**Q3**	5.90
		Q4	6.08	**Q4**	5.63	**Q4**	5.50
Years Experience		**% Low Income**		**Per-Pupil Op. Exp.**		**ISAT M/E**	
1 - 2	6.32	**Q1**	5.92	**Q1**	6.18	**Q1**	6.18
3 - 4	5.86	**Q2**	5.77	**Q2**	5.76	**Q2**	5.90
5 - 8	6.00	**Q3**	5.98	**Q3**	6.09	**Q3**	5.88
9 - 12	5.97	**Q4**	6.33	**Q4**	5.21	**Q4**	5.73
12 - 16	6.20						
17 or more	5.50	**EAV**		**Tax Rate**		**% State Income**	
		Q1	6.26	**Q1**	5.97	**Q1**	5.64
		Q2	5.65	**Q2**	6.09	**Q2**	6.00
		Q3	5.77	**Q3**	5.68	**Q3**	6.04
		Q4	5.84	**Q4**	5.91	**Q4**	5.95

Demographic information in Table 17 reveals very little difference between any of the respondent demographic subgroups. The responses were overwhelmingly negative. Most of the subgroups mean responses fell within 0.5 of the overall response mean. The largest difference between subgroups occurred within the variable of per-pupil operational expenditure. The superintendents from the lowest spending quartile had a mean response of 6.18, while the superintendents from the highest spending quartile had a mean of 5.21.

Question 18 in the survey read, “The contribution from local tax sources to my school district's overall revenue is adequate”. The most frequently indicated response to this statement was 2, indicating agreement with the statement, with 24% of the responses. The responses with the next lowest adjusted relative frequency were 1 and 3, which indicated strong agreement and slight agreement; 17% of superintendents chose each of these responses. The negative responses, indicated by a 5, 6, or 7, were indicated by 12%, 11%, and 10% of the respondents, respectively. The mean (average) response was 3.48 for this statement, showing that overall the respondents tended to only slightly agree overall with the statement. The responses are summarized and broken down in Table 18.

Table 18

Perception of Local Tax Revenue Adequacy

Question 18 - The contribution from local tax sources to my school district's overall revenue is adequate.

Choices	*Absolute Frequency*	*Relative Frequency*	*Adjusted Relative Frequency*
N/A	0	0.00%	0.00%
1 (Strongly Agree)	35	14.34%	16.99%
2	49	20.08%	23.79%
3	35	14.34%	16.99%
4	20	8.20%	9.71%
5	24	9.84%	11.65%
6	22	9.02%	10.68%
7 (Strongly Disagree)	21	8.61%	10.19%
Not Answered	38	15.57%	N/A

MEAN = 3.48

Average (Mean) Response Based On Superintendent/District Demographic Characteristics

Gender		**Location**		**District Type**		**Supt. Ethnicity**	
Male	3.44	**Rural**	3.56	**Elem.**	3.71	**White**	3.49
Female	3.62	**Suburban**	3.33	**High**	3.11	**(non-Hispanic)**	
		Urban	4.33	**Unit**	3.38	**All Other**	3.17
Age		**% Minority Students**		**Enrollment**		**PSAE M/E**	
Under 45	3.50	**Q1**	3.16	**Q1**	3.52	**Q1**	3.82
45-54	3.42	**Q2**	3.81	**Q2**	3.96	**Q2**	5.00
55 or over	3.44	**Q3**	3.67	**Q3**	3.28	**Q3**	3.00
		Q4	4.03	**Q4**	3.67	**Q4**	3.04
Years Experience		**% Low Income**		**Per-Pupil Op. Exp.**		**ISAT M/E**	
1 - 2	3.80	**Q1**	2.92	**Q1**	3.80	**Q1**	4.06
3 - 4	3.58	**Q2**	3.28	**Q2**	3.94	**Q2**	3.90
5 - 8	3.49	**Q3**	3.67	**Q3**	3.91	**Q3**	3.31
9 - 12	3.47	**Q4**	4.38	**Q4**	2.16	**Q4**	3.48
12 - 16	2.47						
17 or more	3.61	**EAV**		**Tax Rate**		**% State Income**	
		Q1	4.42	**Q1**	3.61	**Q1**	2.39
		Q2	3.13	**Q2**	3.97	**Q2**	3.46
		Q3	3.77	**Q3**	3.44	**Q3**	3.78
		Q4	2.80	**Q4**	3.17	**Q4**	4.51

In Table 18 the responses of three subgroups showed definite trends. Superintendents from school districts with a large percentage of low income students tended to slightly disagree with the statement (mean = 4.38) while those from districts with small numbers of students from low income households tended to agree slightly (mean = 2.92). More positive responses also came from superintendents in districts with a higher EAV (mean = 2.80) while those with a low EAV (mean = 4.42). The variable that made the largest difference in the response of the superintendents was the percentage of income that came from the State of Illinois. School districts that received little state money for operation were much more positive (mean = 2.39) than those that depend significantly on state funds (mean = 4.51). The responses for the subgroups of the per-pupil operational expenditure variable did not show much of a trend in the lowest three quartiles, but the highest quartile had the most agreement with the statement of any variable subgroup with a mean of 2.16.

Question 19 in the survey read, "The contribution from State sources to my school district's overall revenue is adequate". This statement was the second most strongly disagreed with item on the survey instrument. Only one respondent answered this item with a 1, indicating "Strongly Agree." Less than 10% of the total respondents to the survey indicated any sort of positive response, indicated by a 1, 2, or 3 on the 7 point scale. The response which indicated "No Opinion" was selected by 4% of superintendents participating. The negative responses, indicated by a 5, 6, or 7, were indicated by 13%, 30%, and 44% of the respondents, respectively. The most frequently answered response to the statement was the most negative response, 7, indicating strong disagreement. The mean (average) response was 5.90 for this statement, showing that

overall the respondents tended to disagree with the statement. The responses are summarized and broken down in Table 19.

Table 19

Perception of State Revenue Adequacy

Question 19 - The contribution from State sources to my school district's overall revenue is adequate.

Choices	*Absolute Frequency*	*Relative Frequency*	*Adjusted Relative Frequency*
N/A	0	0.00%	0.00%
1 (Strongly Agree)	1	0.41%	0.49%
2	7	2.87%	3.41%
3	11	4.51%	5.37%
4	9	3.69%	4.39%
5	26	10.66%	12.68%
6	61	25.00%	29.76%
7 (Strongly Disagree)	90	36.89%	43.90%
Not Answered	39	15.98%	N/A

MEAN = 5.90

Average (Mean) Response Based On Superintendent/District Demographic Characteristics

Gender		**Location**		**District Type**		**Supt. Ethnicity**	
Male	5.87	**Rural**	5.89	**Elem.**	5.87	**White**	5.89
Female	6.02	**Suburban**	5.87	**High**	5.68	**(non-Hispanic)**	
		Urban	6.22	**Unit**	6.00	**All Other**	6.33
Age		**% Minority Students**		**Enrollment**		**PSAE M/E**	
Under 45	5.80	**Q1**	5.90	**Q1**	5.71	**Q1**	6.00
45-54	5.94	**Q2**	5.46	**Q2**	5.81	**Q2**	5.83
55 or over	5.99	**Q3**	6.00	**Q3**	5.45	**Q3**	5.60
		Q4	6.05	**Q4**	5.77	**Q4**	5.63
Years Experience		**% Low Income**		**Per-Pupil Op. Exp.**		**ISAT M/E**	
1 - 2	6.08	**Q1**	5.67	**Q1**	5.90	**Q1**	5.66
3 - 4	5.81	**Q2**	5.96	**Q2**	5.64	**Q2**	5.90
5 - 8	5.89	**Q3**	6.09	**Q3**	6.14	**Q3**	5.75
9 - 12	6.00	**Q4**	5.88	**Q4**	4.74	**Q4**	5.59
12 - 16	5.93						
17 or more	5.72	**EAV**		**Tax Rate**		**% State Income**	
		Q1	5.83	**Q1**	5.55	**Q1**	5.39
		Q2	5.65	**Q2**	5.73	**Q2**	6.13
		Q3	5.50	**Q3**	5.68	**Q3**	5.48
		Q4	5.72	**Q4**	5.78	**Q4**	5.73

There was only one demographic variable where superintendents tended to vary from the mean on question 19. The demographic variable where a difference was visible in the quartile subgroups in the responses was the operational per-pupil expenditure. School districts in the lowest three quartiles tended to answer close to the mean. Quartile 1 had a mean of 5.90 for its responses, quartile 2 had a mean of 5.64 for its responses, and quartile three had a mean of 6.14 for its responses. The fourth quartile, representing the districts that have the highest per-pupil operational expenditure, had a less disagreeable mean response of 4.74. This was the largest departure from the mean of any variable subgroup.

Question 20 in the survey read, School district reorganization and consolidation would, in some cases, allow for a more efficient use of tax revenues for education". The response with the highest adjusted relative frequency was 7, which indicated "Strongly Disagree"; 26% of superintendents chose this response. The response with the lowest adjusted relative frequency was 1, which indicated "Strongly Agree"; fewer than 10% of superintendents chose this response. The remaining responses were fairly balanced, each selected by between 10% and 15% of the participants. The mean (average) response was 4.42 for this statement, showing that overall the respondents tended to only slightly disagree overall with the statement. The responses are summarized and broken down in Table 20.

Table 20

Perception of Efficiency Resulting From School District Consolidation

Question 20 - School district reorganization and consolidation would, in some cases, allow for a more efficient use of tax revenues for education.

Choices	*Absolute Frequency*	*Relative Frequency*	*Adjusted Relative Frequency*
N/A	0	0.00%	0.00%
1 (Strongly Agree)	20	8.20%	9.71%
2	26	10.66%	12.62%
3	30	12.30%	14.56%
4	29	11.89%	14.08%
5	27	11.07%	13.11%
6	21	8.61%	10.19%
7 (Strongly Disagree)	53	21.72%	25.73%
Not Answered	38	15.57%	N/A

MEAN = 4.42

Average (Mean) Response Based On Superintendent/District Demographic Characteristics

Gender		**Location**		**District Type**		**Supt. Ethnicity**	
Male	4.30	**Rural**	4.41	**Elem.**	4.93	**White**	4.39
Female	4.82	**Suburban**	4.41	**High**	4.61	**(non-Hispanic)**	
		Urban	4.56	**Unit**	3.76	**All Other**	5.50
Age		**% Minority Students**		**Enrollment**		**PSAE M/E**	
Under 45	4.58	**Q1**	4.36	**Q1**	4.68	**Q1**	4.64
45-54	4.22	**Q2**	4.52	**Q2**	4.52	**Q2**	3.25
55 or over	4.28	**Q3**	4.08	**Q3**	4.66	**Q3**	4.35
		Q4	4.78	**Q4**	3.63	**Q4**	3.96
Years Experience		**% Low Income**		**Per-Pupil Op. Exp.**		**ISAT M/E**	
1 - 2	4.80	**Q1**	4.26	**Q1**	4.43	**Q1**	3.84
3 - 4	4.53	**Q2**	4.30	**Q2**	4.61	**Q2**	4.90
5 - 8	4.24	**Q3**	4.63	**Q3**	4.23	**Q3**	4.81
9 - 12	4.09	**Q4**	4.57	**Q4**	4.21	**Q4**	4.00
12 - 16	5.33						
17 or more	4.17	**EAV**		**Tax Rate**		**% State Income**	
		Q1	4.56	**Q1**	4.45	**Q1**	4.75
		Q2	4.70	**Q2**	4.52	**Q2**	4.00
		Q3	4.13	**Q3**	4.52	**Q3**	3.89
		Q4	4.24	**Q4**	4.00	**Q4**	4.73

The demographic variables of district type and enrollment were the two variables where the subgroups demonstrated trends in their responses. This is reasonable as the smaller districts are the ones most likely targeted for consolidation. Among the three subgroups of district type, the elementary districts disagreed most with the statement with a mean response of 4.93. The high school district superintendents were a little closer to the middle with a mean response of 4.61. Unit district superintendents were slightly more agreeable with a mean response of 3.76. In the subgroups of enrollment, the smallest three quartiles of districts had means of 4.68, 4.52, and 4.66. Only the largest districts had a mean value that slightly agreed at 3.63.

Question 21 in the survey read, "I would support a reduction in the reliance on property tax revenue (and therefore a reduction in the local property tax rate) and an increase in state funding for the operation of public schools". This statement brought in the most polarizing results of any of the 8 Likert-response items. The mean (average) response was 3.41 for this statement, which on the surface would seem to show that there is slight agreement with the statement. In fact, less than one-third of the respondents chose 3, 4, or 5, which would be the most neutral choices. The most frequent responses were on the far ends of the scale. Selections 1, 2, and 7 were most frequently answered, with 24%, 20%, and 17% of the superintendents selecting them, respectively. The responses are summarized and broken down in Table 21.

Table 21

Support for a Property Tax Reduction and Increase in State Revenues

Question 21 - I would support a reduction in the reliance on property tax revenue (and therefore a reduction in the local property tax rate) and an increase in state funding for the operation of public schools.

Choices	*Absolute Frequency*	*Relative Frequency*	*Adjusted Relative Frequency*
N/A	3	1.23%	1.46%
1 (Strongly Agree)	49	20.08%	23.79%
2	42	17.21%	20.39%
3	27	11.07%	13.11%
4	20	8.20%	9.71%
5	17	6.97%	8.25%
6	12	4.92%	5.83%
7 (Strongly Disagree)	36	14.75%	17.48%
Not Answered	38	15.57%	N/A

MEAN = 3.41

Average (Mean) Response Based On Superintendent/District Demographic Characteristics

Gender		**Location**		**District Type**		**Supt. Ethnicity**	
Male	3.42	**Rural**	2.98	**Elem.**	3.63	**White**	3.42
Female	3.40	**Suburban**	4.02	**High**	4.46	**(non-Hispanic)**	
		Urban	2.78	**Unit**	2.82	**All Other**	3.33
Age		**% Minority Students**		**Enrollment**		**PSAE M/E**	
Under 45	3.17	**Q1**	3.11	**Q1**	3.61	**Q1**	3.09
45-54	3.43	**Q2**	4.07	**Q2**	2.59	**Q2**	2.75
55 or over	3.72	**Q3**	3.47	**Q3**	3.62	**Q3**	3.05
		Q4	3.84	**Q4**	3.63	**Q4**	4.29
Years Experience		**% Low Income**		**Per-Pupil Op. Exp.**		**ISAT M/E**	
1 - 2	3.16	**Q1**	4.10	**Q1**	3.03	**Q1**	2.41
3 - 4	2.93	**Q2**	3.55	**Q2**	3.09	**Q2**	3.48
5 - 8	3.49	**Q3**	3.17	**Q3**	3.59	**Q3**	2.75
9 - 12	3.32	**Q4**	2.62	**Q4**	4.63	**Q4**	4.00
12 - 16	3.33						
17 or more	4.83	**EAV**		**Tax Rate**		**% State Income**	
		Q1	2.42	**Q1**	3.94	**Q1**	4.04
		Q2	3.30	**Q2**	3.73	**Q2**	3.21
		Q3	3.90	**Q3**	2.88	**Q3**	3.70
		Q4	4.48	**Q4**	3.13	**Q4**	2.81

In table 21 several demographic variables demonstrate trends that are worth noting. Rural and urban superintendents slightly agreed with the statement, with mean responses of 2.98 and 2.78 respectively. Suburban district superintendents were neutral with a mean response of 4.02. Unit district superintendents also slightly agreed with the statement with a mean response of 2.82. Elementary superintendents were closer to the no opinion line with a mean response of 3.63, while high school district superintendents slightly disagreed with a mean of 4.46. The trends among these two variables correlate with the EAV variable, due to the fact that rural unit districts tend to have the smallest EAV's of any district type. EAV's tend to be slightly higher in elementary districts, and have their greatest values in suburban high school districts. The EAV variable subgroups saw the greatest difference between their quartiles of any demographic variable. The first quartile, which represents superintendents from school districts with little property to tax, had a mean value nearly 2 points lower than the fourth quartile of districts that are property-rich (2.42 vs. 4.48, respectively).

Superintendents from school districts with a large population of low income students tended to answer this question more positively than those with smaller percentages of low income students. More positive responses also came from superintendents in districts with lower per-pupil expenditures and higher percentages of income from the State of Illinois. The variable subgroup with the most negative opinion of the statement was the group of most experienced superintendents, having the role 17 years or more. Their group mean response was 4.83, off from the mean by nearly a point and a half.

Question 22 in the survey read, “I am confident in the future fiscal health of my school district”. This statement had the most balanced responses of the eight Likert-scale questions. The least frequently answered response was 1, corresponding to "Strongly Agree", with just fewer than 7 percent of superintendents selecting that response. The remaining responses were selected between 12% and 18.5% of the time. The average (mean) response overall was 4.09. The responses are summarized and broken down in Table 22.

Superintendents from school districts with higher percentages of low-income students and that depend more upon the state for their revenues answered this question more negatively than the superintendents with fewer low-income students and a higher percentage of local revenue. Additionally, participants from school districts that had higher test scores on state exams also had more positive responses than their counterparts from districts that finished in the bottom half on state exams. The variable subgroup that had the most positive response to question 22 and therefore the most confidence in their district's fiscal outlook were the superintendents with the most experience. The group that stood out in question 21 did so again on this statement, with a mean response of 3.17, nearly a point lower than the overall mean.

Table 22

Perception of Future Fiscal Health

Question 22 - I am confident in the future fiscal health of my school district.

Choices	*Absolute Frequency*	*Relative Frequency*	*Adjusted Relative Frequency*
N/A	0	0.00%	0.00%
1 (Strongly Agree)	14	5.74%	6.80%
2	36	14.75%	17.48%
3	38	15.57%	18.45%
4	31	12.70%	15.05%
5	28	11.48%	13.59%
6	34	13.93%	16.50%
7 (Strongly Disagree)	25	10.25%	12.14%
Not Answered	38	15.57%	N/A

MEAN = 4.09

Average (Mean) Response Based On Superintendent/District Demographic Characteristics

Gender		**Location**		**District Type**		**Supt. Ethnicity**	
Male	4.01	**Rural**	4.27	**Elem.**	4.20	**White**	4.10
Female	4.38	**Suburban**	3.90	**High**	4.00	**(non-Hispanic)**	
		Urban	4.22	**Unit**	4.04	**All Other**	3.83
Age		**% Minority Students**		**Enrollment**		**PSAE M/E**	
Under 45	4.08	**Q1**	4.10	**Q1**	3.97	**Q1**	4.09
45-54	4.07	**Q2**	3.78	**Q2**	3.96	**Q2**	4.75
55 or over	4.06	**Q3**	4.17	**Q3**	3.86	**Q3**	3.45
		Q4	4.38	**Q4**	4.03	**Q4**	3.58
Years Experience		**% Low Income**		**Per-Pupil Op. Exp.**		**ISAT M/E**	
1 - 2	4.48	**Q1**	3.61	**Q1**	3.95	**Q1**	4.38
3 - 4	4.07	**Q2**	4.24	**Q2**	4.09	**Q2**	4.24
5 - 8	4.17	**Q3**	4.19	**Q3**	4.45	**Q3**	3.69
9 - 12	4.12	**Q4**	4.62	**Q4**	3.26	**Q4**	3.69
12 - 16	4.02						
17 or more	3.17	**EAV**		**Tax Rate**		**% State Income**	
		Q1	4.14	**Q1**	3.93	**Q1**	3.32
		Q2	4.05	**Q2**	4.06	**Q2**	3.88
		Q3	3.77	**Q3**	4.00	**Q3**	3.85
		Q4	4.06	**Q4**	3.57	**Q4**	4.58

Question 23 in the survey read, “Please rate the impact on programs, projects, and personnel in your school district due to the current fiscal issues in the State of Illinois coupled with the delayed payments of state revenues". The most frequently answered response to the statement was 2, indicating that there has been a profound impact in programs and it was given by 29% of the participants. The least frequent response was 7, with only 3% of the respondents to the survey indicating "No Impact". The mean (average) response was 3.04 for this statement, showing that overall the respondents tended to disagree overall with the statement. The responses are summarized and broken down in Table 23.

Superintendents with higher percentages of low income students and with lower EAV's tended to indicate a greater impact on their districts from the fiscal issues in the State of Illinois than their collegues in school districts with few low income students and high EAV's. The greatest variance among variable subgroups was among the quartiles based on the percentage of income from State sources. While the quartile that receives very little money from the state had a mean response of 4.04 indicating "Moderate Impact", the subgroup that recieved the highest percentage of their revenues from state sources had a mean response of 2.35. This fourth quartile subgroup had the lowest mean response of any of the variable subgroups on this survey item.

Table 23

Perception of the Impact of the State Fiscal Crisis

Question 23 - Please rate the impact on programs, projects, and personnel in your school district due to the current fiscal issues in the State of Illinois coupled with the delayed payments of state revenues.

Choices	*Absolute Frequency*	*Relative Frequency*	*Adjusted Relative Frequency*
N/A	1	0.41%	0.49%
1 (Severe Impact)	37	15.16%	17.96%
2	59	24.18%	28.64%
3	37	15.16%	17.96%
4	30	12.30%	14.56%
5	21	8.67%	10.19%
6	17	5.74%	6.80%
7 (No Impact)	7	2.87%	3.40%
Not Answered	38	15.57%	N/A

MEAN = 3.04

Average (Mean) Response Based On Superintendent/District Demographic Characteristics

Gender		**Location**		**District Type**		**Supt. Ethnicity**	
Male	3.12	**Rural**	2.81	**Elem.**	3.17	**White**	3.02
Female	2.76	**Suburban**	3.34	**High**	3.29	**(non-Hispanic)**	
		Urban	2.56	**Unit**	2.78	**All Other**	3.67
Age		**% Minority Students**		**Enrollment**		**PSAE M/E**	
Under 45	2.80	**Q1**	2.92	**Q1**	2.74	**Q1**	3.64
45-54	3.14	**Q2**	3.41	**Q2**	3.26	**Q2**	2.58
55 or over	3.06	**Q3**	3.08	**Q3**	3.45	**Q3**	3.05
		Q4	3.03	**Q4**	3.37	**Q4**	3.33
Years Experience		**% Low Income**		**Per-Pupil Op. Exp.**		**ISAT M/E**	
1 - 2	2.76	**Q1**	3.56	**Q1**	2.98	**Q1**	2.78
3 - 4	3.02	**Q2**	3.20	**Q2**	3.24	**Q2**	3.33
5 - 8	3.11	**Q3**	2.57	**Q3**	2.68	**Q3**	2.63
9 - 12	2.82	**Q4**	2.64	**Q4**	4.21	**Q4**	3.74
12 - 16	3.27						
17 or more	3.39	**EAV**		**Tax Rate**		**% State Income**	
		Q1	2.72	**Q1**	3.87	**Q1**	4.04
		Q2	2.78	**Q2**	2.70	**Q2**	2.92
		Q3	3.57	**Q3**	3.08	**Q3**	3.78
		Q4	4.00	**Q4**	3.43	**Q4**	2.35

Section Three: Open-Ended Survey Response Items

The last part of the survey instrument included four open-ended response questions. Questions 24, 25, 26, and 27 were answered by 182, 148, 170, and 174 participants, respectively. Most responses were approximately one small paragraph. Some participants took the time to write lengthy three or four paragraph responses to the questions, while others wrote only a sentence or a few words. All responses were coded based on key words and phrases. The number of these key words or phrases varied for each of the four questions. Each superintendent's response was coded for the topics brought up in their responses, and each participant could have their response categorized more than once.

Using the online interface Opinio may have created a technical issue with the open ended questions for respondents. There was one respondent who for each question answered that he did not have enough space in the text box to respond appropriately. It is the supposition of this researcher that whatever computer or device the respondent was using was not totally compatible with the Opinio software. It is not known if this same type of error would have affected any other respondents; it was the only comment of that nature.

Question 24 on the survey asked, "What do you see as the most significant challenges to financing public schools now and in the future?" The 184 answers provided by participants were coded into 30 categories. Table 24 contains the 11 most frequently provided responses to the question by the study participants.

The largest number of responses to this survey item took issue with how the state is currently funding public schools. Of the 11 most popular responses from superintendents to question 24, more than half of them cited a state process or responsibility as challenging their ability to create a balance budget for their school districts. The most selected response blamed the state for a lack of leadership.

Table 24

Most Significant Challenges to Financing Public Schools

What do you see as the most significant challenges to financing public schools now and in the future?

Frequency	**Topic of the Response**
49	Lack of leadership or action at the state level
48	The unpredictability of state action, including missing, late, or cancelled payments of state aid and categoricals
34	Unfunded mandates from the state
32	Less general state aid than in the past
31	Very little equity in the way Illinois funds public schools
20	State of Illinois - overall fiscal situation
19	Lack of stable revenue stream
19	We are too reliant on local property taxes in funding public schools
17	Cuts in transportation categorical funding
15	Costs of salaries, benefits, and utilities rising while revenues are stalling or being cut
14	The timing of the state budget process in comparison to the timing of school staffing and budgeting decisions

One superintendent commented on how the lack of leadership from the state has impacted the budget in his district:

> "Our current fiscal crisis in Illinois has left school districts with an unclear outlook for the future. For the past four years I have been unsure of my revenues prior to the time that I have to release teachers in March. In 2008, we cut 800K from our budget. 8 teaching positions and one administrative position were cut to stop the deficit spending we were experiencing in the district. We have been unable to re-hire most of those individuals. I am running deficits in our transportation fund due to late or no payments."

The second most popular response cited a lack of predictability or faith in the methods by which the state funds public schools. For example, one superintendent remarked,

> "Our current budget system is one of 'educated guess' coupled with a 'hope and a prayer.' My biggest challenge is trying to budget my finances based on a state fund that is way underfunded, unreliable, and based on the political winds of the times… The state makes promises it cannot keep. The politics surrounding education MUST stop."

Another superintendent echoed these remarks about the lack of predictable funding saying,

> "First of all, the state revenue must be predictable and consistent. Not knowing if the revenue owed will actually be paid to the district causes financial planning to

> error on the side of the worst case scenario. This approach results in laying-off more staff then necessary to cover for unstable state revenue. Secondly, ideally the educational program should drive the budget, but programs often cannot be sustained even though the data shows these programs are effective, due to funding shortages."

The topic of unfunded mandates and lack of categorical funding for special education and transportation came up frequently, especially from superintendents in rural areas. One participant stated,

> "All of our district resources are being allocated to meet the legal requirements of legislative mandates and special education. The ability to adequately educate the regular education population is being severely impacted."

Finally, several superintendents mentioned the lack of equity between school districts as a challenge that had to be overcome.

> "There is too much inequity between school districts. Those school districts who have lower assessed valuations due to lack of industry and commercial/retail development are at a significant disadvantage when it comes to providing the programs and services that children both require and deserve. The State's effort to deal with this by providing more financial support is a joke. The political arena will not allow this to change because the haves are not going to give up anything for the have nots. I don't blame them; however that does not provide for an equitable way to finance our schools. In this present economic climate I do not see any immediate help coming. As a result some school districts will have to cut

more programs, services and staff while continuing to operate even leaner on an already lean budget."

Other responses from the superintendents regarding challenges that are currently facing school districts that were less frequently mentioned include:

- A negative perception of taxation and education; the idea that money is being wasted (12 responses)
- The rising cost of special education (11 responses)
- Declining equalized assessed valuation in the district (10 responses)
- The negative impact of tax caps on the ability to levy (10 responses)

Question 25 on the survey asked, "If you could make changes to the funding formulas or methods of taxation used to support K-12 public education in Illinois, what would they be? Please provide a rationale for your response." The 148 answers provided by participants were coded into 41 categories. Table 25 contains the 12 most frequently provided responses to the question by the study participants.

The responses to question 25 were in many cases extensions to the respondent's answers in question 24. While question 24 asked the superintendents to list the challenges to funding public schools in Illinois, question 25 asked them to generate solutions. In the responses to question 24 many superintendents mentioned the problems the state is having with cash flow and paying their obligations. Consequentially, the answers to question 25 were also centered on the state and things that the General Assembly would need to do to improve the fiscal situation for Illinois public schools. The responses were in many ways similar to those of question 21 where there were distinct differing opinions on how to generate additional revenue for public schools in Illinois. Quite a few

superintendents mentioned the need for a state tax increase to help fund education. Many were in favor of legislation that would reduce local property tax while raising the income and sales taxes; this was the most frequently mentioned response. Other responses called for property tax relief without mentioning specific methods of replacing the lost revenue. The rationale for a shift away from property taxes is best summed up in this superintendent's response:

> "The property tax system creates a system that is unbalanced since areas with high property tax bases can generate significantly larger local revenue with a much lower tax rate while smaller, rural districts must have a much higher tax rate to be able to fund education and still receive much less local revenue from the property taxes."

A much smaller minority did not agree with any sort of tax swap. Their disagreement was not based on issues of equity or fairness; in fact several of the respondents acknowledged the property tax system was unfair but necessary. The superintendents that were not in favor of increased state revenue were simply skeptical that the state could be relied on for stable funding and did not trust them to take away a stable revenue source like property taxes. The statement of one superintendent illustrates this point:

> "We cannot count on the state to do their part. Promises and projections transition into cuts, reductions and proration of funds we count on for programs and services. This makes it very difficult to put a budget together that can be relied upon to run a school district. I used to be a strong advocate of moving from property tax to some other form of revenue stream for our funding. As a result of

the last couple of years, state funding has not been reliable but I can count on my local tax revenue to be there. I would like to see more local tax revenue simply because I can count on it. The state funding is no longer a sure thing."

Table 25

Suggested Changes to Methods of Taxation and Funding Formulas

If you could make changes to the funding formulas or methods of taxation used to support K-12 public education in Illinois, what would they be? Please provide a rationale for your response.

Frequency	**Topic of the Response**
28	A swap of property taxes for a state sales or income tax, like HB 750
22	Fix the problem with the lack of equity in funding among school districts
18	Provide property tax relief, rely less on property taxes
15	The state needs to increase funding to schools, provide higher percentage of revenue
14	Adjust the tax cap, or provide some exemptions from the tax cap
13	The state needs to increase the sales tax and designate the money for schools
11	Increase the foundation level to the EFAB recommended amount
11	Have state funding that is predictable and reliable
10	No suggestions / not really sure what to do
9	Do NOT swap property taxes for sales or income taxes; property taxes are reliable and the state is not
9	Fully fund categoricals
8	The formulas for funding are fine, just fund them

Finally, quite a few superintendents indicated that they had no problem with the formulas the state currently has in place to fund schools. Their issue was with the foundation level that the state has established to put into these formulas. Some participants referenced the findings of the Education Funding Advisory Board (EFAB):

> "The foundation level is currently an arbitrary number plugged into the formula by legislators. The foundation level should be a research based number that appropriately reflects the funding per student needed to provide an appropriate education given the mandates imposed. Legislators should be required to use the foundation level as provided by EFAB."

The mention of the tax cap on local sources was also mentioned but in a variety of ways. Some superintendents proposed eliminating the Consumer Price Index as a limiting factor on tax caps. Other respondents suggested placing certain funds, such as tort immunity and life safety, outside of the tax cap. Finally, a couple of respondents suggested that any state mandates that are not fully funded should be a reason to exceed the tax cap in order to provide those mandated services without hurting the rest of the instructional program.

Question 26 on the survey asked, "If the General Assembly passed legislation tomorrow that guaranteed a significant increase in per pupil revenue for the next 20 years, how might you begin to use the additional funds? Please provide a rationale for your response." The 170 answers provided by participants were coded into 37 categories. Table 26 contains the 11 most frequently provided responses to the question by the study participants.

Table 26

Priorities for the Expenditure of Additional Revenue

If the General Assembly passed legislation tomorrow that guaranteed a significant increase in per pupil revenue for the next 20 years, how might you begin to use the additional funds? Please provide a rationale for your response.

Frequency	**Topic of the Response**
53	Purchase technology, implement more technology initiatives to prepare students for 21st century jobs
45	Create/expand/support programs for RTI, at-risk students, and/or hire literacy coaches and interventionists
41	Repair buildings, improve infrastructure
32	Expand & enhance curriculum, create more options and electives for students
27	Reduce class size
25	Increase professional development
17	Hire more teachers
17	Replace student textbooks with tablets/I-pads
13	Balance the budget
11	Purchase new textbooks / instructional materials
11	Build new facility

The most frequent response involved the purchase of technology. Another frequent response was the replacement of textbooks with tablets or some other form of one on one computing, which is another technology initiative. Several of the respondents indicated that they have not purchased much technology as of late due to the tough fiscal

situation and so current devices in their schools are becoming outdated and even failing in some cases. Others cited the use of technology as another way to help struggling students in the upper tiers of RTI. As one superintendent explained,

> "We received a grant for I-pads for our middle school. We need dollars so that we can extend that program to our high school students. We have begun some exchange programs and would love to offer other opportunities for our students and teachers. Our rural isolation often causes students and teachers to think locally and indeed they must think globally. We have donated money but also need a source of funds to make things happen. We would love to… look for new ways to deliver instruction that can meet the 21st Century learner."

Many of the initiatives mentioned in this response are focused on what the superintendents believe would help to improve student achievement and the delivery of instruction. Many respondents named specific programs to address their at-risk population, curriculum and staff development needs, and the improvement of instructional materials and facilities. One superintendent would, "Develop a long range expenditure model to purchase curriculum programs, provide teacher inservices, local assessments to measure student growth, and the means of collecting and analyzing data on each and every student." Another superintendent mentioned that he would, "Use these funds to adequately deliver the state mandated programs such as RtI, Common Core standards, reading instruction, etc." Many of the responses included the hiring of additional personnel. For example, one superintendent indicated he would like to, "Increase staffing to provide individualized remediation/interventions and enrichment." In some districts superintendents would use additional staff to reduce class size or bring

in specialized teachers to provide additional electives including world language or career and technical education.

Other superintendents and school districts would use the funds to cover far more basic needs. Several mentioned that the revenues would help to balance their budget, without purchasing anything new or spending any additional funds. In the words of one participant, "I would continue to use the funds for operating expenses. I do have some major building projects that are of concern, but with barely making it with little frills, I cannot make those improvements." Several of the respondents mentioned that they would hire back some of the staff that they had to lay off as a result of budget cuts brought on by losses in revenue, just to return to what used to be the status quo. Other superintendents cited some relatively basic needs that are necessary and not very fancy:

> "We need new textbooks! We have 2 100-year-old buildings with old plumbing and old electrical systems."
>
> "I would start by building fund balances so that we would not have to borrow each year."
>
> "We have found some major structural problems in our high school building. I would repair these problems."

Finally, a group of the most skeptical superintendents did not even answer the question. They instead provided very jaded responses based upon a history of being disappointed by what the state has provided for their district and in general. Examples of these responses include:

> “I wouldn't count on them even if they told us they were going to give us the money. They owe $330,000 from last year so why would I believe they would pay.”

> “'Guaranteed' would be a joke. It would only last a couple of years before funds would be pulled away to another program. Look at history.”

Question 27 on the survey asked, "Please discuss your opinion on the topic of consolidation of school districts in the state of Illinois. Do you believe Illinois has too many small school districts? Do you believe elementary and high school districts should come together as unit districts?" The 174 answers provided by participants were coded into 43 categories. Table 27 contains the 14 most frequently provided responses to the question by the study participants. Comments in favor of school district consolidation by state mandate will appear in a box with a white background, while the comments against school consolidation by state mandate will have a shaded background.

Superintendents responding to the survey were fairly well divided on this issue. Out of the top four most popular responses, two would favor school consolidation as a mandated practice, while two resist such a move. The responses to question 27 mirror those of question 20, also about consolidation. Many unit district superintendents thought that high school and elementary districts should come together. Of the 44 responses that stated that all districts should be K-12, 27 of the respondents were from unit districts and 28 of them were from rural districts.

Table 27

Opinions on District Consolidation

Please discuss your opinion on the topic of consolidation of school districts in the state of Illinois. Do you believe Illinois has too many small school districts? Do you believe elementary and high school districts should come together as unit districts?

Frequency	**Topic of the Response**
44	All school districts should be unit districts (K-12)
38	Consolidation should be a local decision
34	Consolidation will not save districts money
32	The state has too many school districts and we should consolidate somehow
21	School districts should not consolidate if that means transporting kids for long distances to get to school
19	By consolidating small school districts efficiency is improved
19	Salary schedules will make consolidation more expensive that what is popularly believed and it will end up costing more money
17	"Bigger is not always better"
17	Consolidation may work in some situations but not others
16	Against forced consolidation
14	Consolidation leads to better articulation and curriculum alignment
14	Consolidation should only be done if it will benefit kids
14	Successful school districts (i.e. - high test scores) should be left alone, don't mess up a good thing
10	There are more opportunities for kids in larger school districts

For Consolidation (white background)	Against Consolidation (shaded background)

Examples of the comments in favor of consolidation include:

> "There are too many small districts across the state of Illinois."
>
> "We need K-12 unit districts with a minimum of 10,000 students. 876 districts???? It is a joke."
>
> "All school systems should be unit districts. Consolidate school systems by either township or county (depending on population density)."
>
> "I do believe that all districts should be made of a high school(s) and their feeders."
>
> "I like the unit district system. It provides much better K-12 articulation and support for students."
>
> "We have several small districts that do a disservice to students because they are limited on what they can provide. This is especially true at the high school level."

A slight majority of the respondents, however, did not feel that consolidation was a way to help school districts financially. Most were adamantly against forced consolidation from the state, but did see how in some situations consolidation could help. Those respondents against forced consolidation based their arguments on different factors. Some cited the needs of the kids first. Many rural superintendents were against any consolidation that meant that students would have to travel unreasonable distances to get to school. Quite a few respondents thought that while many school districts are too small, there is also a point at which a school district could be too big and thus create a

large bureaucracy. Other superintendents were concerned with what the benefits of such a process would be and whether or not it would be worth the hassle:

> "I do not believe that consolidation should be based on a number of students. I believe it must be a local decision based on financial ability to support a quality system of education including offerings, technology, staffing, and safety and the ability to demonstrate successful learning."

A few superintendents were concerned with protecting the interests of their constituents:

> "Since our schools are run on roughly 82% of local dollars, how would you explain taking those local dollars and allocating them to a different taxing body's school?"

> "My district has been fiscally responsible under my tenure as superintendent in addition to that of my predecessors. I would not support any move to consolidate school districts that will jeopardize the resources that we have managed to grow and protect."

Superintendents that were not in favor of school district consolidation cited as their number one concern the cost of doing so in relation to teacher salary schedules. Most high school districts have considerably higher salaries for their teachers than the elementary districts do. To combine into one district means creating one salary schedule where many teachers would get paid considerably more than they would have made in

the dual-district system. One superintendent describes the problem and then a possible solution to it:

> "Consolidation of high school and elementary districts makes sense, but funding that transition is difficult when trying to catch elementary staff up to the high school salaries. Consolidation of smaller elementary districts would be a good first start. Insisting that dual districts work to share services or personnel to reduce the numbers of district staff would also help."

CHAPTER V – SUMMARY AND CONCLUSION

The purpose of this research study was to investigate the perceptions of K-12 superintendents regarding the adequacy of the public school finance system in Illinois. The study was qualitative in nature. It attempted to ascertain the status of school funding in relation to the perceived needs from a practitioner's perspective by surveying the 868 public school district superintendents in the State of Illinois. Participants were asked demographic questions about themselves and their school districts. The survey instrument also asked participants 8 Likert-scale questions and 4 open ended questions about school finance. Results from the questions were categorized and triangulated with self-reported demographic variables in order to ascertain if trends existed among superintendents from school districts with similar characteristics.

A total of 244 responses were started by superintendents, and 197 of the participants completed the survey. This is an overall response rate of 23 percent of the 868 invited participants. 107 of the participants were from elementary school districts, 31 were from high school districts, and 95 were from unit school districts. Over half of the respondents identified themselves as representing rural districts, and only 5 percent of respondents indicated they represented urban districts.

This chapter, Chapter V, contains five sections. Section One presents the findings and conclusions derived from the study, which are based on the three questions that guided the research:

- Do public school K-12 superintendents believe that they have sufficient resources to provide an adequate education for the students residing in their district?
- According to K-12 public school superintendents, what modifications, if any, would they like to see in the way the State of Illinois funds public K-12 schools?
- How would K-12 public school superintendents choose to spend funds if supplied with additional renewable revenues?

Each question is addressed and conclusions are derived based upon the data reported in Chapter IV. Results from the data will be compared to the literature review in Chapter II.

Section Two discusses the implications for the field of educational leadership. Section Three presents the study's limitations. Section Four outlines the recommendations for future research related to the data provided by the respondents. Section Five will summarize the researcher's thoughts and reflections regarding the study.

Section One: Study Findings and Conclusions

The first research question this study attempted to address was, "Do public school K-12 superintendents believe that they have sufficient resources to provide an adequate education for the students residing in their district?" Several of the survey items

addressed this point directly. The first item to address this point asked to what degree superintendents agreed or disagreed with the statement, "My school district has an adequate level of resources to meet the needs of the students in the district."

Superintendent responses were mixed, though the mean response indicated very slight disagreement. The responses did depend, however, on some of the demographic characteristics of the superintendents answering the question. Suburban superintendents tend to have a greater satisfaction with their level of resources than their rural or urban colleagues. High school superintendents tended to also be more satisfied than the participants representing unit or elementary school districts. Finally, the more low income students a district served, the less likely that superintendent was to be satisfied with their level of resources.

The demographic variables that made the greatest difference in the response to this survey item were the ones related to EAV, operational per-pupil expenditure, and the level of support each school district receives from the State of Illinois. It is not surprising to this researcher that the responses among these three variables shows a similar relationship since the three variables are tied together in the funding formulas by which the state distributes funds to public school districts. Interestingly enough, the tax rate variable did not show any relationship in this response. Superintendents from school districts with low EAV's that depend a great deal on the state for revenue were very dissatisfied with their level of resources. Superintendents from school districts with high per-pupil expenditures that receive little state aid were very satisfied with the resources they have to provide an adequate education to their students.

Other survey items asked the participants to rate their satisfaction with the resources supplied locally and the contribution from state sources. Most participants seemed satisfied with the contributions to their school district revenues from local sources. Some, however, felt that their taxpayers needed to do a little more to support their public schools; these responses again tended to come from participants from school districts with low EAV's and high levels of state support. Several of them indicated that their schools needed significant infrastructure improvements or were facing large deficits but indicated that they would not be able to pass a referendum to address those issues due to the lower incomes and property values in the districts they served.

The large majority of participants in the study indicated dissatisfaction with the level of financial resources provided by the State of Illinois. Reasons for their dissatisfaction included the underfunding of categoricals including transportation and special education, the reduction in state aid over the last several fiscal years, and late aid payments coupled with unpredictability of the state revenues. The lack of predictability from the state was mentioned by respondents frequently as causing them to scale back programs for students because they were not certain the funds would materialize to pay for them. The lack of state support or clear leadership in the General Assembly was the most often cited obstacle to providing an adequate education to students. One superintendent wrote,

> "If the state is involved in financing schools there will always be problems. I have lost all faith in our state government to fix school funding. Local tax payers will continue to bear the burden to educate local students. Those who are

fortunate enough to live in a 'wealthy' district will always fare better than those who do not."

This superintendent was one of many to mention the lack of equity in resources as an issue. Several mentioned that while their school district had enough resources to get by they could see how other school districts would not. Many superintendents went on to say that the State of Illinois did not provide an adequate equalization effort to account for local variations in property wealth. The current budgetary situation at the state level was cited by many as creating even more challenges for districts that already had an uphill fiscal climb. The more affluent districts were not nearly as affected by the current budget crisis as those that operated in property-poor areas. For example, one superintendent said:

"Funding from the State of Illinois is a real concern. As a public school district which relies heavily on state sources for general state aid, categoricals, and transportation, where do we find the revenue to make up for the shortfall? As a school district with a $5,000,000 budget, you continually have to use fund balances to cover the costs and reduce programs for students. When will it end? Why do the students in this school district have to potentially suffer compared to school districts in more affluent parts of the state?"

Another superintendent said,

"Those districts that do not rely on general state aid are wealthy and are not impacted by what the State does. This needs to be corrected; the wealth should be shared so each child has an equal opportunity for a quality education."

The second research question this study attempted to address was, "According to K-12 public school superintendents, what modifications, if any, would they like to see in the way the State of Illinois funds public K-12 schools?" Overwhelmingly the superintendents responded that in some way, shape, or form the State of Illinois should increase the funding for public schools. Some of the respondents pointed to specific taxes to increase or modify, focusing on how the state would generate the revenue to fund public schools. Other responses focused on the methods by which those funds would be distributed. Regardless of the approach, the answer to this research question lies at the state level as far as the respondents to this study are concerned.

The overwhelming majority of superintendents participating in the study did not suggest any major changes to the formulas by which Illinois distributes funds to public schools. The only suggestion that appeared frequently was that the General Assembly should fully fund the formulas as they exist. The suggestion most offered was increasing the foundation level, the number on which all other calculations of state aid are based, to the EFAB (Education Funding Advisory Board) recommended amount. In the words of one superintendent,

> "The foundation level is currently an arbitrary number plugged into the formula by legislators. The foundation level should be a research based number that appropriately reflects the funding per student needed to provide an appropriate education given the mandates imposed. Legislators should be required to use the foundation level as provided by EFAB."

Another recommendation by the participants was included the full funding of categoricals, including special education and transportation. As with the foundation level, the respondents did not suggest any new method for funding, but simply wanted funding increased in the areas where programs already existed. Several respondents cited examples where insufficient categorical funding was negatively impacting their districts, including this one:

> "Continued cuts in funding are hurting every district. Transportation for a rural district such as ours is vital. The governor cut our reimbursement by 40%. Revenue dollars must come from the education fund to support the transportation fund. For this fiscal year there is also a proration of -5% due to a lack of budget funding. Again, this is strapping rural districts that rely on state aid."

Several respondents commented that the state's current fiscal crisis is hurting the districts that were already struggling to keep up financially. Most superintendents agreed that the current formulas would significantly help to level the playing field between property rich and property poor school districts so long as they were funded properly. The districts that are being significantly impacted by the state's budget shortfalls are the ones that do not a significant amount of local taxable resources to compensate. The issue of equity was brought up again in answering some survey items, as in this participant's response:

> "There is no balance between local and state funding. The more the state falls behind in payments, the more school districts must rely on local funding. If the communities that (make up) your district are poor the less money you have

> available. The trend in the state is to push more of the burden on the local funds. This will have a drastic effect on the poorer communities."

Many of the study participants suggested methods by which the state could raise additional revenue to fund schools. The suggestion that appeared the most was to increase sales and income taxes and use the additional funds exclusively for schools. This additional revenue would allow the State of Illinois to increase the amount of money it disperses to schools. Several respondents commented that increasing revenues would help bring the overall state contribution for the financing of public schools up to the point where at least 50% of school revenues statewide were from state sources, something implied in the wording of the state constitution.

The issue of local property tax revenues is where superintendents began to disagree. Many of the respondents mentioned their desire for some form of property tax relief in exchange for increases in state administered taxes in their responses similar to HB 750, a bill proposed in the Illinois House of Representatives in 2007. The idea would be to help equalize the tax effort between communities with different industrial and commercial property tax bases. One participant indicated that school district revenues should be,

> "Base(d) more on income tax so low EAV districts do not have to strain the budgets so much. In a high poverty district, we suffer to have revenues keep up with rising expenditures. The only way to keep the budget balanced is to reduce staff."

Another large group suggested that the property tax cap was choking off their revenues and that they wanted some relief from the cap, thereby increasing local tax effort. Some mentioned a loosening of the cap, including getting away from using the consumer price index as a limiting factor. Other superintendents mentioned situations where certain types of ballooning expenses should fall outside of the tax cap, including areas like special education expenses and tort liability. Finally, a couple of superintendents would like to eliminate or modify the tax cap simply to help offset the impact of reduced monies from the state. They understand that in this economy the likelihood of receiving additional state revenue is slim, and would like the state to allow them to generate the money locally. One respondent said:

> "The State cannot say transportation, Pre-K, pensions, ROE salaries, etc. should be locally funded and not give relief from PTELL. How are districts supposed to come up with the funds? A referendum in this economy is dead on arrival, and EAV growth/new construction is flat at best."

Finally, a small but vocal minority did not want any sort of revenue increase from the State of Illinois that would result in an erosion of the school district's ability to levy local property taxes. While most conceded the inherent unfairness of the property tax, many were unwilling to part with it as a source of revenue due to a lack of faith in the state legislature to provide needed operational funds. They cited the predictability and reliability of property tax revenue as being the main reason for sticking with them, in spite of the fact the tax is regressive. In the words of one superintendent,

> "(Coming from) a district reliant on property tax, I have NO confidence in the reliability of Illinois to properly fund education if we moved away from property taxes. Property taxes have been a wise funding mechanism for schools historically because of reliability."

One respondent mentioned how his thoughts on property tax relief have changed due to the recent budget crisis in Illinois:

> "I used to support State funding a greater portion with a local property tax reduction. I do not support that any longer. They don't pay."

The desire for a predictable and reliable funding process from the state for public schools was mentioned often. The timing of state procedures was cited as a source of uncertainty. Many participants thought that this "flaw" in the process could be easily fixed without any additional expense on the state's part, but rather an adjustment in the state budget process and a commitment to funding before staffing decisions need to be made. In the words of one superintendent,

> "School districts often cut staff annually to hire back after they can reasonably establish a budget. I believe this is an immoral necessity that hurts families. The alternative is to incur a negative budget when the whenever the State underfunds schools in a given year. The state should establish the foundation level by the end of February for the next school year."

School consolidation was a topic brought up infrequently by superintendents suggesting changes to the system, in spite of its political appeal in 2011. When

participants were asked specifically on the survey instrument about consolidation the responses were mixed, more often negative than positive. Many respondents thought that there were too many small school districts in the state, but conceded that little cost savings would occur in a consolidation. Most superintendents, in fact, thought that expenditures would rise in the event of a consolidation due to the fact that school districts would be forced to combine salary schedules raising teacher salaries.

The third and final research question this study attempted to address was, "How would K-12 public school superintendents choose to spend funds if supplied with additional renewable revenues?" The choice of what to do with additional revenue could be considered to be an indicator of the adequacy of current resources for a school district. If a school district has adequate resources for its most basic needs it might seek ways to enhance the delivery of instruction or provide additional supplemental materials to staff and students. If a district is struggling with resources they might indicate the most basic of needs. Finally, it is worth noting if the expenditure of new funds would be directed toward initiatives that are shown through research to improve student achievement, versus those that sound appealing but produce only limited student growth, or those with no bearing on student achievement at all. It is worth noting that while the analysis of the responses will break down each issue individually, most superintendents mentioned several things in their responses.

The largest group of superintendents (27%) responded that they would invest in some sort of technology programming or equipment. Nearly two-thirds of these respondents were from rural school districts. The districts from which these responses came tended to have below average operational per-pupil expenditures, and it can be

inferred from several of the responses that these superintendents wished their districts could simply catch up to their higher spending counterparts. Another smaller group also mentioned technology, but specifically mentioned the purchase of tablet computers for each student to replace or nearly replace textbooks. It is interesting to note that current research in the effectiveness of educational resources shows that this most popular response in and of itself may not result in the improvement of student achievement (Grubb, 2009).

The next largest group of respondents (23%) indicated that they would like to develop or expand programs that help at-risk students with supports including RTI, ELL, literacy coaching, the implementation of the common core curriculum, and tutoring, to name a few. Many of the initiatives listed are required by law, while others are simply good practice and are research based methods to improve student achievement (Grubb, 2009). A smaller group (13%) of respondents discussed increasing professional development for their teaching staff. The capacity building of teachers is another research based way to improve student achievement. A student in an excellent teacher's classroom will improve their performance significantly more than a student in an average teacher's classroom (Hanushek, 2006).

Another frequently mentioned expenditure that superintendents would like to add would be for the expansion of curriculum, including gifted programming and electives for students. The effect of such programs may not be visible on tests of basic skills or standards-based assessments for the general student body. However, many of the superintendents that mentioned this in their response represented rural districts that may

not have the enrollment required to offer wide varieties of electives or enrichment programs for students.

Several of the responses that superintendents provided do not have any direct link to student achievement. The most frequent expenditure of funds that was mentioned not directly related to the delivery of instruction was to improve the physical plant infrastructure and repair, remodel, or expand facilities (21% of the responses). Very little specifics were mentioned in the responses to the survey, so no breakdown between "necessary" or "cosmetic" repairs or upgrades can be made with this study's data. Infrastructure upgrades may be absolutely necessary; it would be difficult to deliver instruction in a building with no heat or a leaky roof. These expenditures, however, would have very little effect on student achievement (Hanushek, 1996).

The reduction of class size and the hiring of additional staff were frequently mentioned by superintendents responding to the survey. While some superintendents may have been referring to hiring new or additional staff, several of the respondents did specifically refer to the rehiring of personnel that were reduced as a result of budget cuts. Another group of superintendents in their response said that they would do nothing differently with additional revenues; rather, they would balance their budgets. They would use the money to maintain current programs and avoid having to lay off staff. One example of this type of response was,

> "We have made budget reductions of nearly $11 million the past three years. We would first try to bring back minimum staff to reduce our class numbers and also

> restore our early grade literacy support that has been devastated by our budget reductions."

An interesting set of responses related to this research question were those from superintendents so jaded by their experiences that they did not answer the question on the grounds that nothing like this would ever happen. The item on the survey instrument regarding this research question was worded in such a way that the funds came from the state; specifically the General Assembly, and were guaranteed for twenty years. Approximately 5 percent of respondents indicated that no guarantee could ever be made by the state to provide additional funds for schools and sustain them over time. One superintendent called the question, "a bit of a fantasy." Another superintendent responded:

> "'Guaranteed' would be a joke. It would only last a couple of years before funds would be pulled away to another program. Look at history."

This research question had the greatest diversity in responses of any of the three. The question was designed to indicate the adequacy of school district resources by evaluating what superintendents considered priorities for new expenditures and making inferences from those responses. It is clear from the wide range of responses that the condition of the physical plant, educational materials, instructional programs, and other variables in school districts across the state today are in no way uniform. One superintendent's response sums up this research question well:

> "(Should we) be asking the question, 'What (causes) the greatest impact on student achievement with new money? … The second question that we should

ask ourselves would be, 'What decisions have we and other districts like us made in the past that were a waste of local, state or federal resources?' I think it is just as important to ask yourself what hasn't worked in the past as well as what we need for the future."

Section Two: Implications for Educational Leadership

Providing and implementing a vision for a school district can be challenging work under ideal circumstances. Certainly the fiscal crisis in the State of Illinois which started during the recession of 2008 has created less than ideal circumstances for superintendents to perform this task. Over the last four years many school districts have been forced to cut programs, lay off staff, close buildings, and make significant changes to the delivery of instruction. This study of superintendents does provide some direction for the future actions of educational leaders in the State of Illinois.

The superintendents of public schools in the State of Illinois share several common goals as revealed by the survey data. The first goal that emerged from this study was the desire to see predictability in the methods the state uses in funding public schools. Superintendents and school boards must advocate for this goal at the state level. First and foremost, the participants in this research indicated that the budget process timing should be revised to settle the school funding issue before a school district's staffing needs for the following academic year must be determined. This change on the surface costs no money but would ease the planning process for those districts that rely heavily on general state aid and categorical funding. Second, the State of Illinois must begin to fully fund its programs again and educational leaders must take the lead in

making this message heard by their constituents. Clearly the General Assembly has had to sort through a massive amount of budget priorities and a backlog of unpaid bills, but school leaders would be well served in reminding representatives of the constitutional obligation the state has in the financing of public schools. This is especially true when the impact of cuts in education clearly affect the most vulnerable districts.

Third, school leaders should take the initiative to look at the process of consolidation or the sharing of costs. School districts may be able to form partnerships if they have not done so already with neighboring districts to cooperate and share expenses in areas such as transportation, purchasing, insurance, and more. There is the potential for cost savings in some areas where smaller school districts could combine their efforts for greater purchasing power. Finally, school districts need to refocus their revenue priorities on programs and initiatives that are research based to improve student achievement. The hiring of a literacy coach or professional development may pay much larger dividends than the purchasing of iPads or new textbooks. With pressures mounting on the revenue sources for school districts, high quality instruction should take center stage in every decision concerning the expenditure of precious and limited resources.

Section Three: Limitations of the Study

This study was limited by the fact that approximately one in every four superintendents across the state participated in it. Opinions of from a group of this size may not necessarily reflect the overall opinions of the superintendents across the state. This is especially true where certain demographic groups were underrepresented in the survey responses. In looking at the demographic characteristics it is clear that

superintendents from school districts with more diverse populations were not represented in the survey results as much as they should have been. Additionally, superintendents from school districts that have low per-pupil expenditures participated in the study at a much higher rate than their wealthier district counterparts. The skewing of the responses from these demographic subgroups may indicate a stronger feeling or sense of urgency from these groups, and it should be kept in mind that the results of the survey represent these groups more so than the whole population.

The study was also limited by the method in which it was administered. The electronic survey had the benefit of allowing quick responses and easier data analysis. The use of email invitations did exclude a small percentage of possible participants due to changes in personnel; some of these individuals may have responded had a survey instrument been mailed since they would have been more likely to have been received. The electronic format did also create some apparent issues with the respondent's ability to answer questions. While the Likert-scale questions were fully answered by almost all participants, a significant percentage of participants left the branched demographic questions unanswered. Additionally, one respondent mentioned that they had little room in which to answer the open-ended response questions while other respondents wrote paragraphs. It is possible that compatibility issues crept up with either the respondent's hardware or software and the Opinio program. The interrupted survey responses share no common link to the variables measured and cannot be explained by this researcher other than to presume an occasional technical glitch.

Section Four: Recommendations for Future Research

This study attempted to ascertain the perceptions of superintendents regarding school finance based upon three broad research questions. The data provided by respondents was rich and varied, although in some cases very general and superficial. This researcher sees benefits in, and would recommend that, similar studies be conducted with this same population on specific issues including but not limited to the impact of PTELL, the current state and use of technology, or the impact of categorical funding reductions on school districts. While this study provides a snapshot the perceptions of superintendents in Illinois, it is far from comprehensive in its exploration of any particular issue.

It is also worth mentioning that the population chosen for this study is only one group of individuals whose opinions matter on the particular issues raised in it. Other stakeholders including school board members, local politicians, business leaders, parents, etc. could also bring unique viewpoints to the table on matters of school finance. Similar veins of research could be conducted with these groups to examine their opinions and determine if a disconnect exists among the varying groups of stakeholders.

This study analyzed the perceptions of superintendents in relation to the demographic characteristics of their school districts. Responses were analyzed to determine if the choices made by superintendents represented research based best practice. What is not known at this point is how much these best practices are currently implemented in school districts across the state and how the implementation of these best practices might be related to geography or demographic variables. If trends in the implementation of best practices existed where students in particular types of districts were not receiving as high a quality of education as they should or could, research in this

area could help to shed light on the situation and correct it. Additionally, the research on best practices in relation to cost efficiency could help in developing a more efficient system of instructional delivery in general.

Section Five: Summary and Reflection

In FY2008, the State of Illinois ranked 40th in education spending per-capita in spite of having the 13th highest per-capita income among the 50 states (Center for Tax and Budget Accountability, 2011). The chronic underfunding of education at the state level coupled with an over reliance on property taxes to fund public schools has lead to a system where per-pupil expenditures and tax rates vary greatly among Illinois school districts. Taxpayers in property poor areas must make a much larger effort to provide funds for schools, yet they end up still falling short in comparison to the resources in other school districts. This concept behind this study was conceived in 2007 when the economies of the state and the nation were robust and resources were more plentiful than when the study concluded.

The year 2011 provided a unique climate for a study of this nature. The financial struggles of the State of Illinois made a huge impact on many public and municipal institutions reliant on the state for funding their operations. Public school districts were no exception. In the 1970's the General Assembly put into place a system for distributing funds to public schools that sought to reduce differences in per-pupil expenditures based on local property wealth. The system provides general state aid and categorical grants based on need and would ideally help to equalize revenues and expenditures to a degree.

The formulas, however, need to be funded above the level they currently are to work properly.

The debt crisis facing Illinois is not going away anytime soon. There will continue to be competing special interests for the limited funds the state has available to appropriate. The revenues the state will bring in over the next decade are projected to be seriously outpaced by expenditures, further exacerbating the problem (Center for Tax and Budget Accountability, 2011). The General Assembly has responded to the current crisis by enacting a temporary state income tax increase in order to prevent a complete fiscal meltdown. While this is a good first step, there remains more work to be done in order to stabilize the state's overall budget outlook.

School districts are left to wonder how much they can rely on state monies that have been reduced, delayed, or promised then simply not paid at all. Across the state, schools ponder cuts to programs and services for students that many would consider essential. These cuts are impacting some of the most disadvantaged students in our state first, including students from low income families and school districts without the local resources to tax to compensate.

Not every school district in Illinois has been forced to make cuts, however. Many districts are financially stable due to the fact they receive little state money. Their local resources are more than adequate to provide a high quality education for their children. With over 800 school districts in Illinois, a wide variety of conditions exist among school districts, even between those located in the same geographical area. This study had as its purpose the identification of certain values and priorities upon which all school districts

could agree. This researcher is pleased to have been able to find such common ground among very different groups. There is a sense of empathy for the property poor school districts among the leaders of wealthy school districts, but this empathy does not extend itself to the statehouse. It is the hope of this researcher that the results of this study helps to illustrate the struggles of school districts in financial distress and that the leadership at the state level moves to do something to rectify the situation in the immediate future.

APPENDIX A

COVER LETTER

Dear Superintendent,

You are being asked to take part in a research study being conducted by Mark Cohen for a dissertation under the supervision of Dr. Beverly Kasper in the School of Education at Loyola University Chicago. The research project title is "*Superintendents' Perceptions of the Adequacy in Illinois School Finance."* You are being asked to participate because you are a public school superintendent in Illinois. Please read this form carefully. You may ask questions regarding the research before deciding whether or not to participate in the study by contacting me via phone or email.

The purpose of this study is to analyze the perceptions of public school superintendents regarding school finance equity and adequacy the state of Illinois. Non-identifiable demographic information will be collected to determine if superintendents of school districts with similar characteristics have similar opinions on issues related to school finance. Please note that demographic information that is collected through the survey instrument will in no way be marked with your name or the name of your school district.

There are no foreseeable risks involved in participating in this research beyond those experienced in everyday life. There are no direct benefits to you from participation, but your participation will contribute meaningful data about the current state of affairs in Illinois school finance. No individual district or person will be identified in any report. All survey responses will be done online using Opinio which will not track the identity of respondents in any way other than to prevent an individual from answering the survey more than once. All responses will be kept confidential and anonymous; therefore, please do not include your name or school name in any of the responses. The survey should take approximately 15 minutes of your time.

Participation in this study is voluntary. If you do not want to be in this study you do not have to participate. Even if you decide to participate, you are free not to answer any question or to withdraw from participation at any time without penalty. Your response to the online survey implies consent as required by the Institutional Review Board at Loyola University Chicago.

If you have any questions about this research study, please feel free to contact me at (815) 378-3875 or my faculty sponsor, Dr. Beverly Kasper, at (312) 915-6464. Your response is very important as it will contribute to the current literature on Illinois school finance. If you would like a copy of the results of this study, please feel free to contact me using the information below.

Thank you in advance for your help and participation.

Sincerely,

Mark Cohen
19335 East Hillside Drive
Tinley Park, IL 60487
(815) 378-3875
mcohen9@luc.edu

I Wish to Participate in the Survey

APPENDIX B

SURVEY INSTRUMENT

Illinois Public School Superintendent Finance Survey

Page 1 - Introduction

You have been invited to complete this survey about school finance in the State of Illinois. This document contains items regarding your perception of the equity and adequacy of Illinois school finance, any changes you would desire to see in the method by which Illinois funds public schools, your perception of the benefits and challenges of school district consolidation, and how your district might spend additional revenues should the State make them available. This survey incorporates a mix of Likert-scale response items along with extended response items. You may expect to complete the survey in approximately 10-15 minutes.

For Likert-scale questions click the answer for each statement that is your response. Should you need to change your response, simply click on another answer choice. This will automatically remove your previous selection. Extended response items require you to type in your answer, which can be edited by backspacing/deleting, and then retyping your answer.

Please be aware that you may skip questions that you do not wish to answer. Your responses will be saved; however, your identity will not be tracked. Should you need to exit the survey, you may return to the survey by using the same computer to access the survey where you left off.

Click "Next" to get started with the survey. By clicking "Next", you are granting this researcher consent to use your responses in his study. This survey is voluntary. If you would like to leave the survey at any time, just click "Exit this survey." There is no penalty for non-participation. Again, your answers will be saved, but your identity will remain confidential.

Thank you for your assistance.

NEXT

Page 2 - Demographic Data

Background information is for comparison purposes only. Your name is not required; therefore, your responses will never be identified by your name, or as superintendent of your school district. Please click the appropriate response for each item.

1. How many years have you been a superintendent?

- 1-2 years
- 3-4 years
- 5-8 years
- 9-12 years
- 12-16 years
- 17 + years

2. Which grade configuration best describes your school district?

- Elementary
- High School
- Unit

3. Which setting best describes where your school is located?

- Urban
- Suburban
- Rural

4. What is your gender?

- Female
- Male

5. What is your age?

- Under 35 years of age
- 35-44 years of age
- 45-54 years of age
- 55-64 years of age
- 65 years of age or older

6. What is your race?

- American Indian
- Asian or Asian American
- Black or African-American
- Hispanic or Latin-American
- Multi-racial
- White, not of Hispanic origin

NEXT

Page 3 - District Descriptive Data

The following questions relate to your school district's financial and demographic makeup. The answers you select for these responses should be reflective of the most recent school report card data (2010) for your school district. Again, background information is for comparison purposes only. Your name is not required; therefore, your responses will never be identified by your name, or as superintendent of your school district. Please click the appropriate response for each item.

7. According to your 2010 Illinois School Report Card, what is the student enrollment in your school district?

• E: 265 or below	H: 675 or below	U: 550 or below
• E: 266 - 775	H: 676 - 1750	U: 551 - 975
• E: 776 - 1800	H: 1751 - 3725	U: 976 - 1980
• E: 1801 or more	H: 3726 or more	U: 1981 or more

8A. (Elementary and unit districts only)According to your 2010 Illinois School Report Card, what percentage of your students met or exceeded state standards on the ISAT exam?

- 80% or below
- 81 - 85%
- 86 - 90%
- 91% or more

8B. (High school and unit districts only)According to your 2010 Illinois School Report Card, what percentage of your students met or exceeded state standards on the PSAE exam?

- 46% or below
- 47 - 52%
- 53 - 61%
- 62% or more

9. According to your 2010 Illinois School Report Card, what percentage of your students are of Black/African-American, Hispanic/Latin-American, Native-American, or multi-racial origin?

- 4% or below
- 5 - 10%
- 11 - 30%
- 31% or more

10. According to your 2010 Illinois School Report Card, what was your overall operational expenditure per pupil?

- E: $8,450 or below H: $10,800 or below U: $8,300 or below
- E: $8,451 - 9,850 H: $10,881 - 12,300 U: $8,301 - 9,050
- E: $9,851 - 11,630 H: $12,301 - 15,200 U: $9,051 - 10,100
- E: $11,630 or more H: $15,201 or more U: $10,101 or more

11. According to your 2010 Illinois School Report Card, what percentage of your student population could be categorized as low-income?

- 19% or below
- 20 - 34%
- 35 - 49%
- 50% or more

12. According to your 2010 Illinois School Report Card, what is your school district's equalized assessed valuation (EAV) per pupil?

- E: $115,000 or below H: $290,000 or below U: $70,000 or below
- E: $115,001 - 200,000 H: $290,001 - 410,000 U: $70,001 - 92,000
- E: $200,001 - 375,000 H: $410,001 - 710,000 U: $92,001 - 125,000
- E: $375,001 or more H: $710,001 or more U: $125,001 or more

13. According to your 2010 Illinois School Report Card, what is your school district's property tax rate?

- E: 2.5 or below H: 1.7 or below U: 4.0 or below
- E: 2.6 - 3.0 H: 1.8 - 2.0 U: 4.1 - 4.5
- E: 3.1 - 3.4 H: 2.1 - 2.5 U: 4.6 - 5
- E: 3.5 or more H: 2.6 or more U: 5.1 or more

14. According to your 2010 Illinois School Report Card, what percentage of school district revenues comes from the State of Illinois (general state aid, categoricals, and other state sources)?

- E: 10% or below H: 7% or below U: 25% or below
- E: 11 - 25% H: 8 - 15% U: 26 - 34%
- E: 26 - 39% H: 16 - 23% U: 35 - 43%
- E: 40% or more H: 24% or more U: 44% or more

NEXT

Page 4 - School Finance Survey

Read the statements below. Select the response which best describes your response to the statement. You may select from a range of seven choices on a sliding Likert scale. You may also indicate that you have no opinion. Your responses to the prompt will provide the data that is necessary to analyze the perceived strengths and weaknesses of Illinois school finance.

15. My school district has an adequate level of resources to meet the needs of the students in the district.

Strongly Agree			No Opinion			Strongly Disagree

16. The method by which Illinois distributes funds to public schools is equitable and fair.

Strongly Agree			No Opinion			Strongly Disagree

17. The contribution from local tax sources to my school district's overall revenue is adequate.

Strongly Agree			No Opinion			Strongly Disagree

18. The contribution from State sources to my school district's overall revenue is adequate.

Strongly Agree			No Opinion			Strongly Disagree

19. School district reorganization and consolidation would, in some cases, allow for a more efficient use of tax revenues for education.

Strongly Agree			No Opinion			Strongly Disagree

20. I would support a reduction in the reliance on property tax revenue (and therefore a reduction in the local property tax rate) and an increase in state funding for the operation of public schools.

Strongly Agree			No Opinion			Strongly Disagree

21. I am confident in the future fiscal health of my school district.

Strongly Agree			No Opinion			Strongly Disagree

22. Please rate the impact on programs, projects, and personnel in your school district due to the current fiscal issues in the State of Illinois coupled with the delayed payments of state revenues.

Severe Impact			Moderate Impact			No Impact

NEXT

Page 5 - Additional Questions

Read and respond to the questions below. Please do not include your name, the name of your school district, nor any other identifying information.

23. What do you see as the most significant challenges to financing public schools now and in the future?

24. If you could make changes to the funding formulas or methods of taxation used to support K-12 public education in Illinois, what would they be? Please provide a rationale for your response.

25. If the General Assembly passed legislation tomorrow that guaranteed a significant increase in per pupil revenue for the next 20 years, how might you begin to use the additional funds? Please provide a rationale for your response.

26. Please discuss your opinion on the topic of consolidation of school districts in the state of Illinois. Do you believe Illinois has too many small school districts? Do you believe elementary and high school districts should come together as unit districts?

NEXT

Page 6 - Thanks!

I appreciate your time and feedback. Thank you for your participation.

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